THE EMPIRE CLUB

ADDRESSES 1970-1971

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The Empire Club of Canada
1970-1971

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HAROLD V. CRANFIELD
President: 1970-1971

ADDRESSES 1970-1971

The Empire Club of Canada

SIXTY-EIGHTH YEAR

GOD SAVE THE QUEEN

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The Empire Club of Canada

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We expect to be able to add to this list soon, as several members are close to completing their sets. The only complete collection we have found so far in institutional hands is that in the Parliamentary Library at Ottawa.

Published by
The Empire Club Foundation

Printed and bound in Canada by
T. H. Best Printing Company Limited,
Don Mills, Ontario

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EXCERPT FROM *Origin and Objects of The Empire Club*

PUBLISHED IN *The Year Book for 1903-04*

On November 18th, 1903, a small meeting was held in Webb's Restaurant, Toronto, mainly on the initiative of Lieut. Col. James Mason, for the purpose of preliminary discussion. The Chairman in a brief speech pointed to the desirability of an organization, following the plan of weekly luncheons, to be addressed by prominent men, or men speaking with authority upon the issues of the day, and having also a distinctive basis of British Unity in its work and policy.

A sub-Committee met on the following day and appointed . . . . . a Committee to draft a Constitution.

The meeting at which these principles and rules were approved and organization effected was held at the Luncheon hour on November 25th, in Webb's Restaurant, with some seventy gentlemen present . . . . after a discussion of various proposed names . . . . The Empire Club of Canada . . . . was approved by a large majority.

The opinions and views expressed in the Addresses contained in this volume are those of the speakers themselves and do not necessarily carry the full or partial endorsement of The Empire Club of Canada.

The Year Book Committee:

Douglas W. Best
Harold V. Cranfield
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AUGUST 18, 1970

The Apollo XIII Mission

AN ADDRESS BY Captain James A. Lovell Jr.
COMMANDER APOLLO XIII

CHAIRMAN The President,
Harold V. Cranfield

GRACE The Rt. Rev. F. H. Wilkinson, M.M.,E.D.

DR. CRANFIELD:

"Ladies and gentlemen, I ask you to remain standing for the entrance of the Vice Regal party and for what is to follow. The Royal Salute will be played when his honour the Lieutenant Governor has reached the place where I am standing now. Grace will then be said by The Right Reverend F. H. Wilkinson. After which we will sing one verse of 'O Canada' and we will then have two toasts. The first to her Gracious Majesty Queen Elizabeth the Second; following which we will toast The President of the United States of America and only then may we take our places."

After Grace, said by The Right Reverend Bishop Wilkinson, the toasts were given and dinner followed.

After dinner the Chairman presented the Head Table Guests. The President introduced from the audience one of the Empire Club's most remarkable members. (He is Mr. H. H. Sutherland, 102 years old and still going to business every day.)

DR. CRANFIELD:

Now ladies and gentlemen, it is my pleasure to present to you the Honourable W. Ross Macdonald, P.C., C.D., Q.C., LL.D., the Lieutenant Governor of Ontario and we are proud to say the Honorary Vice President of the Empire Club of Canada. His honour brings greetings from our Queen. Sir—

The Lieutenant Governor made his gracious presentation on behalf of the Queen.

Please convey our loyal appreciation and our thanks to her.

We are breaking with the traditions of the Empire Club because of the generosity of our speaker. He has volunteered to give answers to your questions at the end of his address. There are pads of paper on each table in this room. Will you, as the evening progresses, prepare your questions? They will be collected by the gentlemen with the red boutonnieres, who are our Reception Committee and these will be brought up by them to Mr. Ian Macdonald. Those considered as having the most bearing on the topic and which have not been answered in the address itself will be dealt with as full as ten minutes time will allow.

Mr. Ian Macdonald is the man by whose energy and persuasion our guest became available. We owe the delight and pleasure of having our distinguished guest here to address us because of Mr. Macdonald and he will present him to you now.

MR. MACDONALD:

It was nearly five hundred years ago that Christopher Columbus reported: "I undertook a new voyage to a new Heaven and World." Let us, then, imagine that we are gathered this evening in a fine banquet hall in the capital of Spain, during that earlier age of discovery. Throughout the feast, an atmosphere of expectation permeates the room while a sense of awe and wonder is evident in every conversation. And now, amidst the flickering candlelight, a hush descends on the guests and the great explorer, Christopher Columbus, rises to his feet to be greeted and acclaimed by those present. Ladies and Gentlemen, at this moment, we become those same people, but of this century, of this age, and in this year, all sharing the privilege of a great moment. For who can doubt that our guest today has a place among the legendary explorers of all time.

In recent months, we have been exposed to the pronouncements of various skeptics, to the near vision of the astigmatic, and to the opinions of those who suggest that the space programme is either wasteful or misguided. Of them, it must be asked: can we ever truly afford to diminish the thirst for knowledge or to foreclose on any frontier that still imposes a challenge to mankind? It was Tennyson who wrote of the classical Ulysses, yearning "to follow knowledge like a sinking star, beyond the utmost bound of human thought." Of course, prejudice dies hard. The members of the "Flat Earth Society" remain unrepentant and unchanged in their faith and its affirmation!

Among those same critics are some who hold the view that astronauts are no more than highly skilled technicians, programmed as mere ciphers in a complex computer equation, although, Sir, no one has ever been able to argue that they are highly paid. However, could anyone who watched Neil Armstrong make a split second decision to put the lunar module down on the moon, at the virtual point of fuel termination, and then execute the final landing on the basis of personal machine correction, doubt that unusual skill and courage were required? Did not the countless series of perilous risks, which Captain James Lovell was called upon to assess during the return of Appollo 13, require the highest order of human judgment and determination?

Through the magic of electronic communications and instant exposure to history in the making, it was possible for each one of us to be present on those voyages and to share in the discoveries of the moment. So much is the Astronaut a modern everyman that we have difficulty even imagining the complexity of his task. Indeed, it would appear that most astronauts are themselves completely free of illusions of grandeur. Returning from the epic voyage of Apollo 8 in December, 1968, Captain Lovell received a thunderous welcome in Houston at 2.00 a.m. Commenting later, he mused: "I was rather surprised by the great reception committee; I had really just expected to tumble into my old Chev and drive home and go to bed."

But then, our guest this evening has felt close to space for a very long time indeed. It is reported that, as a youngster in Milwaukee, he frightened some of his skeptical neighbours by firing a homemade rocket 80 feet into the air. He wrote a thesis on rocketry, while a Midshipman at the Naval Academy and, it is alleged, he sent it to his high school sweetheart to have typed. She, in turn, must have injected some moon magic into the document, because they were married on his graduation from the Naval Academy at Annapolis in 1952. He has been flying high ever since!

He immediately proceeded to flight training as a Navy Captain, and undertook numerous naval aviator assignments, including a four-year tour as a test pilot at the Naval Air Test Center in Maryland. He has also been a flight instructor and safety engineer, recording 4400 hours of flying time, including more than 3,000 hours in jet aircraft – prior to flying a NASA T-38 from Houston this morning. However, his devotion to rocketry, in which he had retained a creative interest during his formal education, was finally rewarded when he was selected as a NASA Astronaut in September 1962. The remarkable story of his participation and recognition is recorded in the printed programme at your tables this evening. What more is there that one can say about a man who has undertaken more space flights than any other person, and holds the Astronaut record for time in space at 670 hours? Those of you who saw the

Gemini capsule at Expo 67 would have reason to contemplate just how confining it can be to spend two weeks in space, as Captain Lovell did in December 1965.

Although the spine-chilling excitement of Apollo 13 is hard to surpass, it was the voyage of Apollo 8 which will always, for me, be one of the most moving experiences of our time. Recall, if you will, that journey into the universe, and the awesome moment when man first disappeared behind the far side of the moon, totally out of contact and communication with this planet. That voyage took on added significance through its coincidence with the Christmas season and its message of new life. On such a journey, I suspect that you, Sir, were in a position to contemplate the juxtaposition of science and religion as few men have been privileged to do, and to understand why man's venture into space should help us, in the words of Archibald McLeish, "to see ourselves as riders on the earth together, brothers on that bright loveliness in the eternal cold – brothers who know now they are truly brothers."

I first had the pleasure of meeting James Lovell at a dinner party in Toronto in 1967 and, tonight, a long-lasting hope that he might accept an invitation to the Empire Club has been realized. If you will forgive a reference to your own remarks, Sir, I was struck by two comments which you made, at that time, related to the perspective provided by the experience of sailing through space. One was to look down on a tiny corner of the world – the Middle East, for example – and to reflect how unnecessary it seemed that people could not live, side by side, in peace rather than in conflict. The other was to stand apart from the earth and see it fully, not as an end in itself, but as part of a total constellation of bodies which make up the universe. Who, you asked, could fail to recognize that there must be some higher power which binds the system together?

Ladies and Gentlemen, when the Admiral of France was briefing his captains before the battle of Trafalgar, he said: "Let there be no ignominious manoeuvring. Any captain who is not under fire is not at his post." Captain Lovell is one who was under fire in as exacting a manner as any man could be during the hazardous flight of Apollo 13. It was, indeed, a case of brilliant manoeuvring under constant fire.

James Lovell is asked regularly whether he would like to go to the moon again. I would suggest that the answer is to be found in his statement, describing the experiences of December 1968. He said: "The lunar surface was so close, it beckoned. I felt that if we could only get that scant 60 miles closer, if we could only get beneath the dust of the centuries, we would have a chance to pry open some of the secrets of creation." For the poet Edgar Alan Poe:

"The moon never beams without
bringing me dreams,
Of the beautiful Annabelle Lee."

Sir, I suspect the moon never beams without bringing you dreams, nor the planets ever glow without itching your toe.

Ladies and Gentlemen, I am proud to present a unique traveller in space, a down-to-earth ambassador, and an engaging human being – Captain James Lovell.

CAPTAIN JAMES LOVELL:

Thank you, Mr. Macdonald, for those wonderful remarks.

Distinguished Members of the Empire Club, families, guests, I am honoured and proud to speak on Canadian soil. As I understand, this Club has been in existence almost back to the beginning of the century, and it is a pleasure for me to be one of the honoured speakers here.

I am also proud to be here because, as many of you know, I have a Canadian background. My father was Canadian, and I have in fact right over here at this table many of my Canadian relatives with me. So it gives me a double pleasure to be back in Toronto to welcome you all and to see my friends and relatives again.

We at the National Aeronautics and Space Administration have long valued our friendship with our Canadian neighbours and your most helpful co-operation in our space programme.

Even now some of your scientists are examining moon rocks that were brought back on the successful Apollo XI and XII missions. For our part we are proud to be able to share our ideas, our experience, and our newly acquired knowledge with your country as well as all nations of the world.

Canada, by the way, was well represented on that first historic mission to the moon.

You may recall that when Ego, the lunar landing craft, put down on the lunar surface on July 20th, it did so on Canadian-made legs. I have heard that Neil Armstrong and Buzz Aldrin said they had seen no legs on earth that appeared more beautiful than those. And I can imagine that time that they were very truthful sayings since they were the thing that depended on their getting back home again.

I hope that we can continue to work with you in the space effort.

The purpose of United States space programme, as I am sure all of you know, is to bring its benefits for the peaceful uses of all mankind; the kind of peaceful co-operation that has existed for generations between your country and mine.

We look now at a very different world from the one in my youth or even of a decade ago. We must learn to look upon the strange ocean of space not as a fearsome danger upon which voyagers may not return, but as a medium in which our spaceships can pass back the riches of new knowledge.

Young people of this decade can look forward to altogether fresh opportunities that no generation before was given to test their minds, their skills and their hearts, and increase their vision in the human role in the scheme of things. They will learn the new sciences of space and become familiar with new cosmology knowledge to frame their concept and gain a new view of man and his destiny.

For the first time they will perceive the earth as a psysical whole whose horizon is the unlimited vastness of space instead of trying to reform and reshape man to conform to an abstract ideal. They can focus on restoring and reforming a favourable environment in which man of diverse talents can contribute to human progress, an objective that advancement of technology makes feasible.

More and more we are going to have to rely on the power of the intellect and the heart to navigate our way in this new world that the space age now in its second decade has opened.

Our excursions into space offer valuable lessons. Space flights such as the Apollo missions, for example, teach us the value of constant concern over minute details as well as regard for broad objectives. We have learned, too, that true wealth is harnessed energy placed in the service of mankind.

We are now witnessing the birth of a new man, the man of the universe, whose ties remain with the mother earth.

Science and technology have played key roles in this particular birth, and the reason for this is we could not navigate our way through the ocean of problems and obstacles to achieve man's broad objectives without the aid of instruments and tools and vehicles required for the journey. So this is another lesson we are learning in space flights, both in manned and unmanned space craft. What we can see is only one per cent of reality. Ninety-nine per cent of the electro-magnetic spectrum is invisible, and much of this not only is invisible but cannot be sensed except by instruments designed for that purpose.

When we realize that the earth's environment is directly and vitally affected by radiation and particles from outer space, that we require precise measurements of the energy poured out by the sun into this environment in order to understand the mechanism of this dramatic reaction, we shall begin to appreciate the importance of instruments and human intellects which devised them.

Science and technology are the keys to man's survival and well being, but they must be guided by man's compassion for his fellow man, and indeed, for his fellow creatures.

Many of our urgent problems today are global in nature. As one who has viewed the earth from the distance and the prospective of space, I was impressed by its uniqueness in our solar system and its vulnerability. It is the habitat of all mankind, and we are in all likelihood unique; the only such life form in our solar system.

Global unity is, therefore, the most striking characteristic of earth as viewed from space. We see its cloud systems encircling our world; their beauty is startling against the great void in which it exists that no artificial barriers of national boundaries can be seen. The land areas are bounded only by the seas and the oceans, and together with the atmosphere and sun, interact as an ecological unit. Our life has achieved on a vast scale what man is striving to achieve in a tiny space craft: a closed cycle life-support system.

If we are to maintain the earth as a livable dwelling place for mankind, we must learn to view it as a whole, we must understand that our existence depends upon the delicate balance of nature, and that this balance includes not only all of mankind, but all of living things. We must know the intricate relationships and inter-actions between planet earth and a dynamic solar system, particularly the sun.

To obtain this knowledge and understand it requires a sustained programme to develop the science technology necessary to reveal what man's limited senses and capabilities cannot reveal unaided.

We are concerned today with the threat of pollution to our environment. We have become more keenly aware of environmental pollution from the view we have from space as observed from manned and unmanned space craft.

Our preliminary observations made as early as the Mercury orbits in 1962 and the earlier Tyros weather satellites lead us to the concept of instrumented space craft capable of locating and monitoring the earth's resources.

The growth of the world's population and its attendant demands for food, potable water, shelter, transportation, communications, means that all nations ultimately must join in managing the use and replenishment of our natural resources.

Expanding population also poses its own pollution and waste problems by overburdening the natural ability of the ecological system to absorb them without disturbing its balance.

In both instances the space programme offers capabilities directly aiding in the solution of these problems by means of instrumented space craft that can identify and monitor resources and pollution on a global basis.

The space programme has taught us many things about our environment, but serious gaps of essential knowledge remain. For example, we have no idea how stable our present climate is, or how much additional atmospheric pollution can be tolerated without drastically altering it.

Such knowledge comes to us in many ways: from sensors in space craft orbiting the earth, from space probes investigating the atmosphere of Mars and Venus; from observations and photographs made by astronauts, and from the analysis of extraterrestrial material brought back from space missions to the moon.

We already know that Mars and Venus have atmospheres and environment quite different from the earth's and from each other. (If) we understand why they are so different, what processes caused them to evolve along different lines and what processes control the temperatures and composition of atmospheres, then we may better understand and manage the earth's atmosphere.

Analysis of the solar wind content of the lunar rocks and dust, for example, may give scientists a measure of the sun's activities through eons of time. This could reveal the causes of past climatic changes on earth that resulted in the ice ages or extended periods of tropical climate.

By using a Laser reflector on the moon the wobble of the earth about its axis may be accurately measured and scientists may thereby be able to forecast earthquakes, for it is suspected that the wobble causes stresses in the earth causing and resulting in these quakes.

Thus one of the immediate challenges to the National Aeronautic and Space Administration if we are to help in solving the problems of the earth ecological balance and conservation of its resources is to determine the kind of space systems needed.

If we are to solve the earth's problems of the conservation of resources, we have to determine the kind of space systems that are needed, and to develop them for these purposes.

In addition to the scientific spacecraft that gathered data for a basic research, the Space agency plans to orbit the earth resources technology satellite system in 1972. This will be designed to send us data on farming, forestry, the oceans, fresh water sources, geological formation and land use, and a lot of this, of course, is very much of interest to the people in Canada.

They will give us a more comprehensive view of the dirty air and polluted waterways around the globe than could be obtained by any other means within the same time period.

The first of these satellites will be launched into Polar orbit so that they can scan the entire globe as it turns underneath.

By means of the instruments and special cameras, the satellites will measure and capture on infrared film the invisible radiations from plants and trees and the earth's surface features. Experiments have shown that each object or material has its own special radiation called a spectro image that identifies it, something like finger prints identify a person. By making the spectro images, the technicians can identify the farmer's crops and the trees in the forest, and can even determine whether they are healthy or diseased or require more moisture. It seems the healthy plants and trees show up in the infrared film literally in the pink, while the diseased ones appear a nice blue-green.

When such satellites are operational, an inventory of crops and forests can be maintained and their state of health and maturing monitored, making for better crop and forest resource management.

Forest rangers also are interested in the ability to detect fires that start in remote areas, and hydrologists have an interest in locating fresh water sources.

Also remote sensing from space seems to be the only feasible way to monitor oceans, covering surface temperatures, sea states, currents, and marine biology, all information that is of course vital to shipping and the fishing industry.

There is much more, but it would take much too long to describe here. Yet the benefits to the world of such a satellite system can be appreciated when we consider its application to the problem of feeding our fast-growing population.

A satellite that can identify and monitor crops as they mature and reach the time for harvesting will help not only in management, but in pest control, and thus add substantially to our food resources. Information on these aspects alone will be worth a great deal, not only to the United States but to all other countries desiring this information.

Perhaps from these examples you can begin to see that the space programme is creative. It contributes new scientific knowledge, new concepts of the earth and the universe; new techniques and technology to help us solve our problems on earth.

One of the important contributions is that the space programme has accelerated the trend by which we can accomplish more with visibly less material. For instance, one of our one-quarter ton communication satellites outperforms trans-oceanic cables that weigh some one hundred and fifty thousand tons. The most advanced trans-oceanic cable now being developed, but not yet in service, has 720 channels.

Today now in service Intel-fat system of the International Telecommunications satellite consortium – provides more than 3,000 channels, and a new satellite system scheduled for service next year will have 6,000 two-way circuits.

This provides some idea of how by advancing technology through scientific research we can conserve precious resources and at the same time serve mankind better.

United States Space Agency has demonstrated a unique blend of governmental, industrial and academic research competence and achievement. Without changing our political system we have shown how to forge these dynamic elements together in new ways, building an effective team, that has released creative talents of hundreds of thousands of people.

Advances required in every technical discipline by NASA in order to build the Apollo lunar landing system its permanent knowledge; not transient. Once you know how to do something, that knowledge can be used over and over again in as many fields as there are engineers.

In turn, this leads to other advances in related technologies; a steady hand-over-hand technological progress.

The space programme not only creates wealth by teaching us how to harness enormous energies, it also stimulates the economy indirectly.

A good example is the computer industry. Exploration of space demands that we have large computer systems of great complexity and speed. More importantly, it requires flexibility in the use of computers. This ranges from automating check-out of rocket systems, to real time monitoring of space missions, from inventory management to spacecraft simulator controls, from computer planetary trajectories to modelling global weather patterns.

The NASA complex of more than six hundred computers is one of the world's largest automatic data processing systems. Without these systems there would have been no Apollos, no Mars fly-bys, no weather satellites with their automatic read-out systems or other space missions flown successfully.

It would have been impossible to have brought back Apollo XIII last April without the help of these extraordinary machines and their talented operators. NASA could not have developed the advanced management techniques that are being adopted in business and industry that we have made possible, the management of large diverse activities.

The U.S. computer industry, largely as a result of the requirements of the space program in general, and Apollo in particular, now does about eight billion dollars worth of business a year; pays the highest average wages of any American industry, and is one of the fastest growing.

In looking at space at a different prospective I believe our space programme has contributed both emotionally and concretely to a new sense of a common human identity by people all over the world.

The many hundreds of millions of people were there with Buzz Aldrin and Neil Armstrong when they first stepped on the moon, and shared the experience of a great triumph, not just for two men but for all mankind, as Neil stated. Those who watched became in that moment not just Americans or Europeans or Asiatics or Africans, but members of a great brotherhood with a common interest and a common humanity.

Neil and Buzz were not just Americans up there on the moon. They were representatives of all mankind, the first to set foot on another world. It was that spirit that they left behind with them a memorial which read: "We came in peace for all mankind."

How does one evaluate this achievement of the space programme? That moment when so many hundreds of millions of people simultaneously realized their common humanity, and again on Apollo XIII during the long hours when Fred Hayes and Jack Sweigert and I were aboard our crippled spacecraft as it returned to our home planet, twelve nations, including Russia, offered all possible help for our recovery. From nearly every country came prayers and words of encouragement.

Finally, a futuristic view of our space efforts brings forth this thought: with conditions here on earth crowding us, the ultimate major benefit of space may be the liberation of the human being. Once more man will be able to travel to far away places. Once more he can live as he lived in prehistoric times, enjoying individual freedoms, unhampered by bureaucracy, pollution and other encumbrances under which he now labours.

Once more humanity will be able to congregate in small units, instead of small cities. Once more man will be master of his world.

We can shape our own destiny for space gives off an insight into the world of tomorrow. We can get away from wars and isolationism and over-population. We can close the door on the threat to the type of life we like to live and go one of adventure if we try, and I predict some day we will try.

Our flights to the moon have demonstrated that men of goodwill can work together to achieve almost impossible goals. That being the case, the last quarter of this century should be an age of exploration such as man has never seen before.

Against the immense backgrounds of our vast solar system, itself a microcosm of an infinitely vast universe, we look upon man as exceedingly small, yet he is endowed with a divine spirit and imagination that will carry him to a greater understanding of his creation.

DR. CRANFIELD:

We will postpone our expression of thanks until after the question period.

(The audience had been invited to prepare questions in writing. These had been collected and with editorial assistance these were presented as follows and answered by Captain James Lovell.)

THE QUESTION PERIOD

E.C.: The first question is one from a young man, age nineteen: I have endeavoured in many conversations to find out why the United States is spending so much on a space programme instead of devoting its capital to the sadly lacking poverty program in your country. (Here is a fellow who hits right from the shoulder.) If you insist on saying that the programme has contributed much to the scientific and technological fields, please give some examples that can be associated with everyday life besides space food sticks.

Captain Lovell: I think that during my talk I did mention some of the benefits a programme had in company with other programmes. I would like to leave this one thought with you, though: in the total time that we had a space programme in the United States we spent, up through the landing on the moon, a total of thirty-five billion dollars. That is for the entire ten or eleven years.

Last year, our country spent on poverty correction (one year) thirty-seven billion dollars.

Now I am all for elimination of poverty, but I rather feel I would like to see some positive achievement sometime, and I think our programme has done that.

E.C.: Here is one from the distaff side. It says: Do you think women are capable of handling a space mission?

Captain Lovell: Noting the number of talented women there are in the audience I would say they certainly are.

E.C.: How soon do you feel that science astronauts might be able to join lunar landing missions?

Captain Lovell: We have people who are called scientists astronauts. Actually we all are a sort of scientist astronaut. We started out as test pilots and became scientifically developed through our years with NASA in certain fields; mostly geology.

Scientists that are now on board, whose basic science is geology, will be on our lunar missions. The other scientists such as physicists, doctors, astronomers, are being trained now for earth orbital missions, either for earth resources or for study in the heavens, and our first one of those missions will be a sky-lab which we hope to launch in 1972.

E.C.: What were your thoughts when you found that the mission had to be aborted?

Captain Lovell: My first thought was, of course, one of disappointment. Fred Hayes looked at me and said, "When we lost our one fuel cell and the oxygen tank our mission rules had stated we could not now make the landing." We did not think it was as serious as it was until we lost the other two fuel cells and the other oxygen tank. And then the thoughts of landing had completely left our minds, and it was thoughts of landing back on earth that were most important.

E.C.: On the subject of pollution, on a news broadcast this evening reference was made to the age-old laws of conservation of weight and matter. By taking matter and weight to the moon and in fact returning with both, has this law been disproved?

Captain Lovell: I am going to wait until you have one of the scientist astronauts – he will speak to you.

E.C.: There is a quotation from the top of the menu which brings to mind: Does one feel there is a Supreme Being while up there? Why is this so?

Captain Lovell: The ability to make one of these lunar voyages gives one a prospective that is not easily obtained in other means. I feel that I thought for the people that have made voyages to the moon when I say that there is a wonderment in looking back at the earth and at the solar system as we can see it from there, and cannot quite help but believe that there is some Supreme Being that has put everything in its proper prospective. When you look at the earth and you can completely hide it within the span of your thumb and know that that is your home, that is the home of everybody you know, that is life as we have known it for millions of years, and it is just merely a small dot in the universe, then it strikes you that there must be something, some system, some being, that has put this whole universe together and has some orderly form to it.

E.C.: Some chap with a funny bone. He says: A friend who was present at the launching at Apollo VIII or XIII (he doesn't know quite which one) told us he was standing near your wife, Marilyn, and as you took off on your glorious flight she dropped your young son's hand and desperately looking in her handbag said in words to this effect, "Gosh, he has the car keys."

Captain Lovell: That cartoon is on the wall at my home.

E.C.: Rather a serious one here: What would happen if the command module pilot had suffered unconsciousness while his fellow astronauts were on the moon? We assume the command module would remain in orbit but could the mission still be completed satisfactorily?

Captain Lovell: It is a very interesting question. If the command module pilot became incapacitated in lunar orbit and we were on the surface, we would still go up and rendezvous – our rendezvous procedure would remain the same. It would perhaps be a little bit more difficult because we would not have a command module that could be guided to give us long-range methods of determining range with our radars because he has part of our radar system on his vehicle.

When we reach the command module, if it was in a steady position, being on automatic control like an auto pilot, and not moving around in attitude, we could then dock with the command module and get through the hatches by ourselves, to get to the command module pilot. If there was not adequate pressure in the command module, it would mean we would have to go in there with our suits on, and it would be quite difficult.

E.C.: We have another woman's question here, and she has had the courage to sign it. I don't know whether she is looking for an unmarried pilot, but she says this: I know that it takes a pretty wonderful type to be the wife of an astronaut. In choosing men for the space programme is this factor taken into consideration?

Captain Lovell: Well, I think the one quality that our wives have in the programme is one of perseverance and dedication to the goals that we seek.

We spend, of course, many days away from home, and after my third flight my wife said, "Boy, that is it, huh?" and I said, "I don't quite think so. I have one more coming up," and she did not believe it.

My neighbours actually suffered more than my wife did because they usually take care of her during the flight and they could not believe a fourth flight.

E.C.: A young man asked the question here: When you re-enter the earth's atmosphere, what does it feel like just before the parachute opens?

Captain Lovell: Atmospheric re-entry is a very unique experience. We come in, and, of course, we are at zero gravity, everything is dark. Both my trips back to the earth from the moon we had come in on the dark side of the earth – on the Pacific. It is completely dark until you start picking up the very first molecules of atmosphere above the earth, and then there is a sort of pink glow all outside the spacecraft. You can't feel anything. There is nothing to feel that you are slowing down yet, but the pink glow becomes brighter. And suddenly there becomes a brilliant white flash outside, and it stays white like the inside of this bulb when it is lit!).

And of course the most apprehensive moment is, will this parachute open up? We were sort of apprehensive on this flight because our spacecraft systems in the Odyssey, the command module, was powered down during most of the flight.

E.C.: The next question is (I don't believe it is worded exactly the way it is to be interpreted, but it has to do with an explanation of the concept of speed, with the module, the lunar module and the command module, and how they hook up together I think the concept of relative speed is the thing that is missed here but perhaps you could explain it.)

Captain Lovell: It is an interesting concept. One of the things we learn very quickly is everything in life is relative. I take it it is relative in the pure physics of things and it is relative in human relations and everything else.

We notice it very dramatically in space. Our earth orbital missions are travelling at some seventeen thousand five hundred miles an hour, which, if we try to attain that speed out here on the freeway, we certainly would be in trouble. Up there it is very quiet, smooth, almost unassuming type of motion. You would not even know that you are moving.

Our flights to the moon reached an ultimate speed of 25,000 miles an hour, just under XK velocity. This speed is not constant. We reach that speed just after the engine stops, and our trans-lunar injection, and because the earth is pulling us back all the time, we slow down all the way until about 2,000 miles an hour when we flip over into the moon's sphere of influence (that is when the moon's gravity becomes the greater of the two gravity fields) and then we start picking up speed again.

Now we notice relative motion in speeds when we do our rendezvous in docking. There we manoeuvre our spacecraft so that we can see this other spacecraft come in, and then we just merely watch it by looking in our radar system which will tell us our closing speed, or looking at the vehicle itself and seeing how fast it goes, to get our speeds together.

Our docking speeds are down around .5, .3 feet per second.

E.C.: Just like movie actors, actors and actresses on the stage often have their children follow in their footsteps. The question is posed: Would you want your children to share your experiences in space, with the possible exception, of course, of Apollo XIII?

Captain Lovell: Yes. I would like to have my children follow a space programme or scientific endeavour if they are so inclined. My oldest son calls me "a travelling man," and I have a sneaking suspicion he is not inclined the way I was.

E.C.: Someone wants to know how old you were when you first had a license to fly a plane (a private pilot's license).

Captain Lovell: Unlike a lot of my compatriots who have been avid aviators since their early teens, I was only in an airplane one time prior to my introduction to naval aviation. And my first flight was quite a harrowing one. I was supposed to get an area check-out, and the fellow that was my instructor proceeded to do every sort of manoeuvre known to man, and when I got down from that flight I said I am going to stick to multi-engine transports, and that is going to be my career.

E.C.: Some general questions here in reference to International co-operation in space exploration, and I think you probably have answered this, but perhaps you would like to enlarge on the thought of "International co-operation," not just as it was in the return of Apollo XIII, but in the total development of programmes.

Is it likely we will find this type of co-operation between nations?

Captain Lovell: What our country is trying to do and what it has done quite successfully in the past, but we are trying to expand the International co-operation in our space programmes. This is one area, one programme, which lends itself very nicely to international co-operation. Many of you are familiar already with the lot we have done in

Canada. In Fort Churchill we have done a lot of upper air research which is very beneficial to our work.

On Gemini XII I participated in an experiment with the French in North Africa where they launched a high-altitude rocket system that would emit sodium vapours so that we could see the direction of the jet streams at the high altitude. Things of this nature have been going on for some time.

We would like to expand international co-operation.

We feel this area is one which could benefit everybody. Space does benefit everybody. As I mentioned, when you look down from a trip to the moon we just don't see the United States, of course, we see either all North America, all of South America, half of the world at one time, and you cannot differentiate countries. It is a natural for people to get together and work together.

E.C.: Sort of a philosophical summing up of several questions here that I think might be fitted together. Have to do with the near disaster situation of Apollo XIII.

Would it not perhaps be more profitable or more sensible to use instruments for future flights rather than expose men to it?

and as a sort of sequel to that:

Is it fair to say you were frightened?

Captain Lovell: Yes, it is fair to say I was frightened, and certainly I was. I was in a situation whereby, frightened or not frightened, I had only one recourse, and that was to keep charging and keep plugging ahead with Fred and Jack until the last bit of oxygen was gone and the last bit of water was used up or the last amp of electricity had passed through the system. (What was the second part?)

E.C.: Would it be better to put machines up there instead of people?

Captain Lovell: That is an age-old argument which is still raging in quite a few circles.

My viewpoints are these: Machines are very good in certain aspects. We have, of course, Venus and Mars probes. We had Surveyor before we sent a manned ship to the moon. And the end results, though, the man has a capability of changing programmes, of changing the entire system while he is on board.

An example is our Mercury programme. The Mercury Space spacecraft was an automated spacecraft. The man could have done nothing; he could have been a monkey or a dog or anything on that spacecraft provided he got proper breathing and environmental systems and the spacecraft itself could have brought him home.

Three out of four of these flights would have been failures without man on board. This is an example of what I feel that man can do.

I also feel that it is man's nature to go where his machines go, and that although we might send instrumented spacecraft ahead, one day somebody will go there.

E.C.: If you folks think this has gone far enough we can stop this Huntley-Brinkley performance we are carrying on here, we will come down to the privilege of one of our members of saying how much we have enjoyed ourselves. And this great privilege passes to Major Charles C. Hoffman. Charles Hoffman.

CHARLES HOFFMAN:

Usually I am a person who likes to tell a story, but somehow or other because of the type of audience we have tonight, and because of the young people – yes, some of you younger people – and because of the younger people we have in the audience I feel possibly I have to be a little more formal!

So I say first, Mr. President, Your Honour, Reverend Sir, Mr. Minister, Mr. Mayor, Captain Lovell, Head Table Guests, Members and Friends of the Empire Club, and especially the young people who are in our audience who could be our future leaders in the world of tomorrow, certainly it gives me a great deal of pleasure and a very warm feeling to be asked to thank the speaker on your behalf.

Captain Lovell, being a perfectionist yourself, you would certainly know that nothing like this could be put together without the hard work of a large number of people.

Most of them you have met at the Head Table. Out in the audience there are a few others deserving recognition, such as Harold Gillingham who came back from his holidays as well to see you and to handle a lot of the events, and Commodore Hendy and Dr. Parish, Peter Hermant, General Legge, who is unfortunately in Washington (I think giving a paper – a little bit in reverse!) Don Bath, Malcolm MacIntyre and Bob Armstrong.

Captain Lovell, as a man who has certainly had many firsts to his credit should be pleased to remember that Canada, the land of his birth, is a nation of many firsts. The discovery of insulin by Doctors Banting and Best right here in Toronto, the telephone by Alexander Bell at Brantford (not too far from Toronto) Ontario; the first steamship to cross the Atlantic was both Canadian-made and Canadian-financed; the electric railway, five-pin bowling, and of course ice hockey – just a few.

Man creates, invents and builds chemicals, metals, machinery and space missiles, but it is important for us all to remember that God created man and the earth, and if both are not treated properly and with dignity, certainly they can and will be destroyed.

A few years ago I had the honour to guide a tour of Niagara Falls of Dr. Shastri, the late prime minister of India. He quoted to me a proverb they have in India which is applicable to our speaker, and it says:

> "He has not lived in vain who has reared a son, planted a tree or dug a well. He who discharges debt to his past and to save his own soul must serve the age in which he lives. Blessed is the man who digs a well from which another soul may draw hope and faith."

I am quite certain that people throughout the world, especially those in this room tonight, will firmly believe that Captain James Lovell has not lived in vain and that he shall continually be blessed for what he has contributed to our future.

Captain Lovell has faced more than his share of difficulties, but it was General DeGaulle who stated "A man of character finds a special attractiveness in difficulty."

Famous men and women over the years have always had to conquer problems, and Norman Vincent Peale says: "The more problems you have, why the more alive you are," and I think this explains why Jim Lovell is a real swinger.

Sir, your work and your way of life can do so much to help bring an unsettled world closer together. During a recent United Nations debate one spokesman said (and I quote):

> "For world peace look only to men who understand and tolerate each other's environment and way of living. The road to international understanding among men lies in the mutual exchange of ideas, ideals and resources. It is a long and difficult road, but it is the right road and it is the only road to peace. The future is not in the stars; it is in the hearts of men."

I am sure he was referring to men like James Lovell.

Now, if the young people in this room will get up from your chairs now (and Dr. Parish is standing over here) – I know you are all young in heart but those are the younger people I am referring to – if you would like to start off now and come up here and get alongside Jim Parish and come along the back of the table, all the *younger* people in the room while I am finishing my remarks – do it as quietly as you can because I must be heard.

Captain Lovell, it would be impossible for me – I didn't realize there was so many younger people – however, let me say one other point while they are coming up. For many years we have joked about the Man in the Moon, but from now on when we look up in the sky we shall know that Jim Lovell and others like him will be working to further develop air routes which can be used for the good of all mankind.

Captain Lovell, it would be impossible for me, all by myself, to properly and adequately thank you for your visit. I believe, as others do, of course, that the younger people in this room are some of those Canadians who will be on duty at the cross-roads in the air ways of the future, and therefore they can better express to you how much Canada and Canadians appreciate your gallant and brave efforts on our behalf.

So if you will stand here beside me, maybe each of them can thank you personally.

The pre-teen young people passed in file by Captain Lovell. In their moment of grasping hands with him, one by one, each carried to him the appreciation that all present felt.

Chairman: As tangible evidence of our gratitude to Captain James Lovell the Prime Minister of Ontario had asked the Hon. Allan F. Lawrence to act and speak on his behalf. I now present Mr. Lawrence.

(Mr. Allan F. Lawrence presented Captain Lovell with a pair of cuff links after appropriately welcoming him to Ontario.)

The Chairman: Now that this memorable occasion is concluded I wish to thank you for your presence and crave your indulgence once more. Will you remain standing at your places until the Head Table has withdrawn? The Vice Regal Party will proceed first and the remaining Head Table guests will follow them immediately. The demands of security compel us to ask you to please stay in this room for a very few seconds after our departure.

This meeting is now adjourned.

OCTOBER 1, 1970

Imperial Legacy

AN ADDRESS BY The Hon. Mr. Justice S. H. S. Hughes,
JUDGE IN THE HIGH COURT OF JUSTICE,
OSGOODE HALL

CHAIRMAN The President,
Harold V. Cranfield

GRACE Canon the Rev. H. M. Bedford-Jones

DR. CRANFIELD:

Honourable Sirs, Reverend Sir, and gentlemen of the Empire Club, our speaker before reaching his 21st birthday had earned his first university degree. I am pleased that he was in such a hurry for it exposed me to his warm personality and ready wit at Trinity College where by his hasty progress we became contemporaries. He was a debater of excellence both there and while representing the University of Toronto. In 1936 he and that other great debater Sydney M. Hermant received the judges' verdict in their favour on the ever popular subject of women's equality to men. The issue was worded – "Resolved that special legislation for women is preferable to equal rights." The sex of their opponents from the University of Western Ontario is not recorded.

Even in those days our speaker was not a one-sided man for he earned his recognition in sports while sitting in the back of the bus. He was Cox to the University of Toronto rowing team. Twenty-seven years ago on October 7th that team won the Intercollegiate boat race. Larry Skey was an oarsman of that illustrious crew.

Our speaker holds two degrees from Oxford – one Pre' and one Post' World War II. He read law with L. B. Spencer, K.C. I am not clear as to whether he met Mr. L. B. Spencer's daughter before or after he entered her father's office. He, however, had the good sense to persuade her to become Mrs. Hughes.

He wrote a fine book about his outstanding and controversial grandfather titled, "Sir Sam Hughes and the Problems of Imperialism." He was appointed Queen's Counsel in 1955 and about that time became the first chairman of the Ontario Transport Board. Elevated to the bench of the Supreme Court in 1958 the following year he became Chairman of the Civil Services Commission, which experience he reported to our club in an address on April 28th, 1960.

More recently he completed a monumental task with the Royal Commission investigating the affairs of Atlantic Acceptance Corporation. His wise recommendations resulting from this will unquestionably avert a similar threat to future Canadian economy.

Presently he is a judge in the High Court of Justice at Osgoode Hall. He generously accepted my invitation to give this, the opening address of the 1970-71 season of the Empire Club and he has chosen as a title, "Imperial Legacy", to the preservation of which he and his forbears have devoted lives of service. Gentlemen, The Honourable Mr. Justice Samuel Harvey Shirecliffe Hughes.

HON. MR. JUSTICE S. H. S. HUGHES:

In 1950, I had the privilege of reading a paper to the Canadian Historical Association at its Annual Meeting in Kingston, on the subject of "Sir Sam Hughes and the Problem of Imperialism". There was a certain amount of good-humoured resignation at this effort by a layman and a descendant, but in the course of the discussion which followed it Professor A. R. M. Lower of Queen's University, said that I had revealed a real distinction between Toryism and Imperialism in Canada. In his opinion, Canadian Tories had a nostalgic view of the past, while Imperialists were people whom the present scene never satisfies. However apt this comment may have been about Canadian Tories, it was incontestably true of Imperialists in Canada and indeed all over the British Empire in the days when this Club was founded and for almost forty years thereafter. In response to my enquiries about the origin of the Club, you told me, Mr. President, that it was the outcome of concern felt in Toronto about the Alaska Boundary dispute with the United States and the disappointing settlement achieved by arbitration in 1903. That was not an arbitration in the strict sense of that term, but rather an adjudication conducted by three British Commissioners of whom two were Canadian, and three from the United States, to decide the effect of an earlier Anglo-Russian treaty in which the boundary between Russian America and Canada had been provisionally described. You will recall that the American Commissioners, instructed in advance by President Theodore Roosevelt not to concede an inch, refused all compromise on the critical issues and eventually the deadlock was broken by Lord Alverstone, the Lord Chief Justice of England, siding with them against his Canadian colleagues. As a result, British Columbia and the Yukon north of the Queen Charlotte Islands were, for all practical purposes, shut off from the Pacific Ocean and Canadian resentment was equally directed against the use of the big stick by the Americans and the desertion of the English Commissioner to their side. Canadians were unpleasantly reminded of the unofficial sponsor ship of the Fenian raids by their powerful southern neighbour and of the barefaced manipulation of maps by the Americans which thrust the boundary of Maine northward almost to the St. Lawrence River by the terms of the Ashburton Treaty in 1842. The concern which they felt at the time when this Club was founded just two years after the conclusion of the south African War and a year after the Alaska Boundary decision produced a heightened interest in imperial problems, particularly that of defence, gave a fresh impetus to militia training and resulted not only in the foundation of the Empire Club of Canada but of the many Round Table Clubs inspired by that indefatigable writer and lecturer on the realities of the British Empire, Lionel Curtis, who had worked with Lord Milner, John Buchan, Lionel Hichens and others on the post-war settlement in South Africa. This period, during which the unsatisfied Imperialists, to use Dr. Lower's illustration, were attempting to marshal the diffuse anxieties and enthusiasms throughout the British Empire created first by the South African War and heightened and prolonged by the expansionist naval policy of the German Empire, lasted until the outbreak of the Great War of 1914 when all such speculation was put to a stern and practical test.

After that war was over, the imperial organization which had enabled Britain to draw men and materials into the conflict from around the world appeared to be as stable and impressive as ever. Its victorious conclusion had been presided over by an Imperial War Cabinet containing representatives of all the self-governing dominions and the first step towards the dream of Imperial Federation had apparently been taken. When the prized and useful Anglo-Japanese alliance was abandoned in 1921, largely as a result of the representations of Canada prompted by the United States, it appeared that the principle of imperial partnership with an equal voice for each partner, had been strikingly exemplified. But new and hostile forces were at work. The spirit of nationalism sedulously cultivated as a weapon for use against the Central Powers worked against the spirit of imperial unity. The tide of emotional support which had buoyed up the Imperial Federationists so strongly after the South African War was setting in the opposite direction as the victorious but stricken states of the British Empire contemplated with horror the slaughter of their youth. "Never again" was the cry raised but a short twenty years before another generation was to march into the shambles. The romance and trappings of Empire which had appealed so strongly in the past to that generation which had almost perished were looked upon by its survivors and successors with something approaching distaste.

This reaction brought to the fore in Canada men and opinions long active in Canadian political life. With the publicly proclaimed intention of increasing this country's independent stature and lessening its dependence upon Great Britain, they worked steadily if not always consciously towards the cutting of all imperial ties, using the League of Nations and our close economic relations with the United States as make-weights particularly in the field of foreign policy. The Ottawa Agreements of 1932 which gave a realistic and reciprocal character to the Imperial Preference and powerfully assisted the recovery of Canadian trade in the depths of the great depression were to some extent a set-back. The new direction, however, was never strongly resisted at the centre of the Empire itself, where increasing economic burdens and strong political convictions traditionally hostile to the idea of imperial aggrandisement in any form had produced internal pressures of a sympathetic nature. It could not be said, however, that anything like a Cause had been created in Canada and the impulse towards an isolated nationalism was intellectual rather than emotional. Once again, all speculation was swept away by a second world war in which the affinities of all the British nations were fortified by a deeply-shared loathing of the common enemy.

This time the realities as well as the ideals of Empire were largely swept away. The liquidation on a vast scale for the second time in a quarter of a century of Britain's investments overseas in order to buy war materials from the United States proceeded apace long before the conclusion of the Lease-Lend agreements stanched the flow of her economic life blood. When the war was over, once more victorious, but once again exhausted after a struggle in the early stages of which she barely escaped subjugation, her people descried across the waste of war a scene with which they had been unfamiliar for almost three hundred years. Two states of the greatest magnitude, both eventually armed with the deadliest weapons ever manufactured for war, confronted each other in menacing guise surrounded by their allies. In the business of acquiring allies, the rulers of the United States were much more successful than those of Soviet Russia, and have been a great deal nicer to them. Twice the Soviet armies have had to march, once into Hungary and once into Czechoslovakia to remind the signatories of the Warsaw Pact that its benefits are all one-sided. No such heavy forfeit was required of General de Gaulle when he led France out of NATO. Indeed the structure of this alliance like that of its companion, the South-East Asia Treaty Organization, illustrates only too well what has happened to the British Commonwealth and Empire in the twenty-five years following the victorious and united effort of the Second World War. Britain and Canada are members of NATO; Britain, Australia and New Zealand of SEATO. India, no longer a jewel in the Imperial Crown but still a member of the Commonwealth, adopts what she calls a neutralist policy which to the untutored eye seems to mean taking from both sides and giving to neither. The African members of the Commonwealth seem to regard it as a convenient forum for the exchange of recriminations and South Africa and Rhodesia whose contributions to the Imperial Forces in both the great wars of our time should not be forgotten, lie outside it and under the ban of the nations for finding unacceptable solutions to problems of a serious and perplexing nature.

I must not and shall not dwell upon this altered scene at length. It is a tedious peculiarity of aging men and women that they dwell fondly upon the customs and recollections of their youth and excite the impatience and perhaps the disdain of their younger contemporaries. But even a trained historian must marvel at the rapid changes in world politics which have occurred in the lifetime of many of us here. Britain was a province of the Roman Empire for over four hundred years and an outpost province at that. It took the Anglo-Saxons another four hundred years to conquer it and erase most of the traces of that long association with the Eternal City. If we retrace our steps in history four hundred years from now, we find England not yet mistress of Scotland and still nearly twenty years away from the defeat of the Spanish Armada. Where we sit today white pine rose a hundred feet into the clean air. What is it about the modern age which makes change so swift and catastrophic and human memory so short and uncomprehending?

Let me return for a moment to that meeting of the Canadian Historical Association in Kingston, just twenty years ago. The climax of the session was a paper read by Professor Donald Creighton of the University of Toronto called "Sir John Macdonald and Kingston". It is full of good things written in that lively, racy style with which most English-speaking households in Canada are now familiar. It was not so familiar then and provided a vivid contrast to the prevailing school of Canadian historical writing – careful, studious and mistrustful of the use of language as a stimulus to thought. Creighton's theme – it seems obvious now – was that Macdonald was a true Canadian Nationalist who regarded the British Empire as a nursery of free nations and believed that the British provinces could only find their destiny as a united nation by maintaining allegiance to the Crown, adherence to the British form of government and by drawing heavily upon the credit of the British Empire in trade, defence and foreign policy. He saw Kingston, in its dependence upon the commerce and strategic importance of the St. Lawrence River and its strong Loyalist tradition, as a distinct influence upon the young politician who represented it with growing influence and authority and marshalled the eastern part of Upper Canada to resist and finally to defeat the plans of the United States to annex Canada and the political influence of those pro-Republican elements in Toronto and the West which would have welcomed annexation with open arms. But I must not try to paraphrase. Listen to what Donald Creighton wrote about Macdonald's view of foreign policy:

> "It sometimes seems to be assumed by the able army of bureaucrats who at present direct our external relations that up until the fortunate moment of their own arrival at the East Block in Ottawa, Canada had, in fact, no foreign policy at all. This assumption is perhaps not altogether unnatural since our modern corps of diplomatists was mainly recruited after the virtual abandonment of the only great historic foreign policy which Canada has ever had. That policy was the creation of Macdonald; and its prime object was the secure establishment of a new nationality, autonomous within the British Empire and separate and distinct on the North American continent. Canada, Macdonald reasoned, was – and for a long time would remain – too weak to stand alone; and the basic condition of its survival and growth toward self-sufficiency was a relative balance of power within the English-speaking world. Of the two imperialisms, American and British, with which we had to deal, the former was by far the more dangerous. After 1783 the United States was the only expansive force on the North American continent. There was always the acute embarrassment of its proximity; and, after the Civil War, the further danger of its conscious power. To meet that danger, to maintain the balance of power by which alone it could be met with success, the British connection was necessary, for the British connection was, in essence, simply an Anglo-Canadian entente. By the Anglo-Canadian entente, Macdonald hoped to escape the peril of North American continentalism until, at last, Canada might stand alone."

Although Professor Creighton did not mention it, and indeed it was not relevant to his discussion, there is no doubt in my mind that this was also the policy of Sir Wilfrid Laurier. It is not always remembered that it was Laurier who ordered the replacement of the Canadian Red Ensign by the Union Jack as Canada's national flag. There was something mystical about Laurier's view of Canada's place in the British Empire which contrasted with Macdonald's hard-headedness. Lovers of paradox might say that if Macdonald was a Nationalist who ended by sounding like an Imperialist, Laurier was an Imperialist who out of office and in his declining years, sounded like a Nationalist. Yet, Laurier's latter day nationalism was exploited by a new breed of political theorists in Canada with which Professor Creighton faithfully deals and I shall resort to him again. Speaking of the passing of this traditional Canadian foreign policy of Macdonald's making, he said:

> "That pious labour of destruction was the work of the Canadian nationalists of the nineteen-twenties and thirties. For two decades they presented themselves proudly to enraptured Canadian audiences as the real defenders of Canadian nationalism. Publicly they abominated imperialism. Publicly, with eyes lifted to heaven, they aspired to autonomy. These declarations were extremely solemn; they were, no doubt, in many cases, completely sincere. But, whether they deceived themselves or not, the nationalists certainly misled a considerable section of the Canadian people. For in their nationalist crusade there was a large element of North Americanism. North America is not a nation but a continent; and the continentalism which was latent in all of them was open and blatantly avowed in some just as it was in their spiritual father, Goldwin Smith. What they disliked was the wrong type of imperialism – that is, British imperialism; but for the right type of imperialism – that is, American imperialism – they seem to have had nothing but the highest approval. And when, in the summer of 1940, at the first sign of real danger to Great Britain, Canada instantly and openly reversed this historic policy of the Anglo-Canadian entente the nationalists greeted the

> Ogdensburg agreement with either quiet satisfaction or rapturous delight. To the eyes of a historian, the Ogdensburg agreement, with its subsequent extensions and confirmations, looks like an old-fashioned military alliance, so old-fashioned, indeed, that its like has never been seen on the North American continent before. Without definite time limits, and without any very precise conditions, provisoes, or declared purposes, it appears to rest on the assumption that mere geographic proximity means absolute and eternal identity of interest."

The result, of course, was not only NATO but NORAD and much else besides. Creighton concluded as follows:

> "In June, 1951, it will be sixty years since Macdonald died. His portrait on the wall of the Memorial Hall in the Kingston Municipal Buildings makes him look astonishingly alive, but in many ways nobody could be more dead and forgotten than he. . . . All I have tried to do is to recall him to your attention. Nowadays it is fashionable to talk about curtains, iron curtains and gold curtains; and it sometimes seems as if there is a curtain, thick and impenetrable, which separates us from our Canadian past. I have attempted to lift that curtain for a moment, in order to give you a glimpse of Macdonald, and of the Kingston in which his views and hopes were shaped. But, like a sensible showman, I realize that the play is now played out; and, pending a revival, I ring down the curtain once again."

The curtain was not to stay down long because little more than two years later the author was to give to a delighted public the first volume of his great life of Sir John A. Macdonald which, in my respectful opinion, set not only new standards in Canadian historical writing, but gave Canadians a new pride and interest in their country's history and literature.

Reading this paper over again after a lapse of twenty years, what strikes me most forcibly about it, quite apart from its style and content, is the fact that the light is beginning to darken on that scene in Kingston in 1950 which I recall so vividly. Those were the days of Korea and we are now living in the days of Vietnam for which no Canadian medals are being worn. The old alignment is still there and the old alliances, even if not entirely intact. The enemy is the same. Of course, there have been far-reaching changes. We have entered the space age and the light of the achievements of the two super-powers in the exploration of space reflects on us all. New members have blasted their way into the nuclear club. The ideological partnership of Russia and China appears to have been dissolved and although our border with the United States is still long and unguarded, it is now being suggested in accents of growing irritability that the Ogdensburg agreement is not the unmixed blessing that it was once thought to be. Is another curtain, thick and impenetrable, descending between us where we stand to-day and where we stood twenty years ago? Do we, for instance, still understand the lessons and language of the Cold War? Or have we wrapped them all up in cotton wool and put them away in a dark corner hoping that they will never be again dragged out to confront us in all their hard reality?

I have entitled these observations which you have been kind enough to listen to the "Imperial Legacy". Strictly speaking, a legacy is a gift of personal property by will and what is actually left is known as a bequest. Perhaps I should have used this word, but in any event there is no doubt that British imperialism, as we knew it in our youth and as our fathers knew it, is dead, and I propose to touch briefly on what is left to us out of all that panoply and power. Let us make no mistake about it, the idea of British imperialism had a powerful effect upon the thoughts of our forefathers. To most of them of British race, it was the natural order of things and they welcomed it all the more because it was a masculine and dignified alternative to British colonialism.

Stephen Leacock once said "I am an Imperialist because I refuse to be a Colonial." Others, and particularly many of those who were not of British race, did not draw this distinction and could have logically maintained that the disadvantages of colonialism were due to the Imperialist mentality dominant in London. But there was nothing servile about the Imperialists in Canada; a Canadian was as good as an Englishman any day and probably better because in the days of the American Revolution he had fought hard to keep the British flag flying and he had fought hard to subdue the wilderness and the wild men and animals who were there before him. Were we not all British subjects and who were the popinjays at home to call us Colonials? Let them open their doors and their professions and enterprises to their virile brethren overseas and the Empire would be more practical and more powerful than ever. Many of the Canadian heroes of those days were people to whom these doors had indeed been opened. As Macdonald foresaw, this spirit has survived and has played its part in making Canada a vigorous and independent nation. It belonged mainly to people who looked upon the bright side of the British connection and it was constructive rather than iconoclastic. Moreover, the sense of belonging to a great imperial community was a powerful force in enabling us to resist the smothering effect of our close proximity to the United States.

As to our heritage of language and literature, I shall make only one observation on the two grounds that I am not competent to make more and that there seems to me to be only one that is relevant to my theme. British soldiers, sailors, administrators, merchants and ministers of religion have spread it far and wide around the world and into lands where the flag no longer flies or never flew. In the last fifty years the use and currency of English has vastly increased as any traveller of long experience can testify. Here in Canada we are doubly blest and every effort is being rightly made to make those of us whose mother's tongue is not French familiar with that beautiful and expressive language and all the literary treasures which it enshrines. Here again, as no historian will deny, the preservation of the French language and culture in Canada is part of the imperial legacy of which I speak and had Montgomery and Benedict Arnold won the day in 1775 absorption and dispersal of this treasure would have been the result. There may be some disadvantages to having English as one's mother tongue in the sense that life is altogether too easy. Knowledge of more than one language is generally the possession – and a proud possession it is – of those who have made a virtue out of necessity. Still the possession of English has smoothed our path around the world and we can talk in familiar terms with men of many differing climes and origins.

Finally, I come to the subject of law and order, first of all severally and then jointly. In Canada, we owe the law of England in general to the expansion of the island race, as Winston Churchill always called it, and in particular to the Loyalists who, unwilling to abandon their British allegiance, forsook their material possessions in the revolted American colonies and flocked in thousands to the wildernesses of Upper Canada, New Brunswick and Nova Scotia. They had their own peculiarities: for instance they preferred to wear their own hair. That is why judges and barristers in Canada, unlike most of the countries in which the law of England persists, do not wear wigs. This is a disappointment to many sightseers, but those who do stray into the courts will find few other differences from the atmosphere which prevails in Britain, Australia, New Zealand, the West Indies, Nigeria, India and a multitude of islands and territories around the globe which are still or were formerly part of the British Empire. I do not think anyone would seriously dispute that the atmosphere and appearance of the courts in the United States, however similar the law and language, are in many respects very different from our own. Our way of administering justice in Canada, long preserved for us under the Imperial Crown and jealously guarded by our people, is more formal, more agreeable, swifter and more precise than anything that prevails in the United States to-day and it is our duty as well as our interest to keep it so. I am not suggesting that all this is due to the British example, but I am sure that it has had a profound effect and that as the customs and conduct of British justice have become more liberal and more humane, ours have kept in step. Anyone who is familiar with the changes in our statute books knows how powerful that example has always been. Then, as to order. Under this head I would place public administration generally, not simply police procedure and law enforcement, although these are a very important part of public administration. The great development of the British Civil Service with its remarkable independence of political control and its high standards of competence and integrity dates from the middle of the last century or at the beginning of that period of highest awareness of Britain's imperial mission. It coincided roughly with the taking over of the Government of India by the Crown from the East India Company and the assumption by Queen Victoria of the imperial title. The Crimean War and the Indian mutiny had disclosed some remarkable weaknesses in civil administration both in the United Kingdom and abroad and in very short order and with startling results this house was put in order. Again we in Canada followed suit, but somewhat slowly because the tradition of political patronage was very strong. Our great landmark was the Civil Service Act of 1918. In the United States the process of establishing a professional and impartial civil service has proceeded much more slowly and even now there is a great changing of the guard across the country when either the Republican or the Democratic Party is ousted by the electorate. Law and order customarily go hand in hand and they are real partners, not to be mocked at or abused, but to be cherished by men of good will. At the risk of sounding mystical on the subject, I am certain in my own mind that the great symbolic majesty and purity of the Crown is such a powerful influence on those engaged in formulating, administering and maintaining our laws as on those who live under them and obey them, that it can never be safely replaced, and I make that statement with the utmost sincerity and with no apology in the hearing of members of this Club. To put it at its very lowest, it is more difficult to do dishonest and discreditable work or simply not to do one's duty as the sworn servant of a Sovereign who commands loyalty, affection and regard.

To return then to Professor Lower's epigram with which I began, a nostalgic view of the past – Tory or not – may be a sign of weakness, but dissatisfaction with the present scene is consistent with vigilance and progress. To that extent we are all imperialists, whatever empires we hope to build. Yet no one can safely ignore the prodigious labours of the past any more than a mountain climber as he ascends can refrain from looking backwards and downwards to note the landmarks which have marked his passage and on which his future safety may depend. A new spirit of Canadian nationalism is abroad which owes nothing to either Macdonald or Goldwin Smith. Its slogan is "Canada for Canadians" and the tone is a little strident, the emphasis a little chauvinistic. The accent belongs neither to Laurier nor Mackenzie King. It may be that on the crest of this new wave, we will rise to new heights of development as a nation, or it may be that we will only have more difficulty borrowing money. Whatever befalls, I hope we will look back at the landmarks and remember the way that has been trod, if only to apply our experience and commonsense to the way ahead. You may recall a well-known remark of Goldwin Smith's which went something like this: "I would like to see my country behave towards other nations as an English gentleman behaves towards other men." In my student days a recitation of this sent us all into shrieks of laughter as an example of what an awful snob he was. But on reflection, I feel a little foolish about all that hilarity. Canada has, after all, won golden opinions among the nations for fairness and lack of prejudice. Our way has been the way of moderation, of compromise, of considering other points of view. That is our heritage in a nutshell. Be it so.

The gratitude of the Club was expressed by Mr. Sydney Hermant.

OCTOBER 8, 1970

Crime is Your Business

AN ADDRESS BY T. George Street, Q.C.,
CHAIRMAN OF THE NATIONAL PAROLE BOARD, OTTAWA

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rt. Rev. J. R. Mutchmor

DR. CRANFIELD:

In 1916 one of those born in Thorold on January 4th was to acquire from his family, his environment and his experience a solid respect for human worth and dignity. One can speculate that in this particular instance that there were factors relevant to being educated in Welland, as well, and perhaps he was influenced by certain of his teachers.

He went on to qualify at Osgoode Hall Law School in 1939 and returned to Welland to practice briefly in the firm of Macoomb, Macoomb and Street. As World War II progressed into 1941 he joined the armed forces and proceeded overseas with the gallant Saskatoon Light Infantry, fighting in Italy and in Sicily, where he was wounded. He saw service as Air Liaison Officer in Yugoslavia, Greece and Corsica, where I suspect his bilingual skill proved useful. He returned to Canada in 1945 with the valorous 48th Highland Regiment, having by then attained the rank of captain.

Once more he went into the practice of law with his former partners Macoomb & Macoomb. This was for only a two-year period, however, for on January 1st, 1948, he became Magistrate for the city of Welland and performed this duty for eleven years. In the last three years of this, 1956 to 1959, he was also Deputy Judge of the Juvenile and Family Court for the city of Welland.

His interests in the rehabilitation of the individual became so well known that he was invited to Ottawa January 1st, 1959, to accept the appointment of Chairman of the National Parole Board. Within two years he was appointed Queen's Counsel, by Federal authority. He functions so effectively in his role with the National Parole Board that after his first ten years of service there, he was appointed for a further ten years.

One hears the expression describing success as "a small town boy who makes good" or, more grammatically, "a small town boy who does well." Here we have an instance where one can with equally correct syntax say, "a small town boy who does good." He is so respected by law enforcement officers that he has been elected an honorary member of the Canadian Chiefs of Police. One might say there is *no* wrong side to this Street. Gentlemen, I refer, of course, to Mr. T. George Street, Q.C., Chairman of the National Parole Board who is to address us today on the subject "Crime Is Your Business."

MR. STREET:

Gentlemen, I would like to discuss the the matter of crime and the treatment of criminals and what part parole plays in this great problem, which is or should be of such vital concern to us all.

When you think of the tremendous cost of crime, the loss of property, the misery, the pain and suffering, and the wastage of human lives, the total consequences are staggering.

It is a sad commentary that in our modern 20th century, with all the significant advances in our scientific and sociological skills, that we have failed so miserably in finding a more effective solution to this ever increasing dilemma.

The general public should have a greater consciousness and understanding of the cause and effects of crime, and we should be striving for some solution for it, or at least for some improvement in our present methods. Crime cannot be abolished but it should be reduced to a minimum and we should be able to do better than we have in the past.

The primary purpose of our criminal laws and our whole correctional system is the protection of the public. Because of the increase in crime and criminals, it does not seem that this is being effectively achieved.

We know now from bitter experience that merely locking men up in prison does not do much good but for the majority of them simply makes them worse. Therefore we should try to reform them rather than just punish them. The purpose of punishment should be the correction of the offender and not just vengeance by society.

Today criminal law assumes many of the functions that the family, the church, the school, and even the old familiar neighbourhood (with its relatively stable population) once had. However, it is increasingly difficult for the law to assume these functions in a changing complex urban setting. As a result we find ourselves in a situation where the rules that we wish to enforce are sometimes unenforceable.

To a certain extent we have adjusted our laws to keep up with social change. Law was once set down to punish offenders, no more was thought to be needed. Now the emphasis is shifting to social control and the law allows us to rehabilitate offenders.

In other words we have gone from punishment, to deterrence, to rehabilitation. We realized that continuous punishment in a penal institution has had little effect. Punishment alone does not correct criminal behaviour. It does not even begin to accomplish what it is supposed to do, unless one of its aims is to make the public feel better and safer.

Punishment may be useful in that it shocks a few people so that they will not get into trouble again, but if anything, it usually makes a person bitter if it is carried on too long. Punishment does not usually make an irresponsible person into a responsible citizen.

Even if we modify the punishment, keeping the man out of sight, and out of mind, thus preventing him from committing more crime while in prison, we still have to face the fact that when he completes his sentence there may be little change in his attitude and behaviour. Indeed, sending people to prison can be one of the better ways to make them better criminals.

Today, there are about 7,000 inmates in our federal prisons serving sentences of two years or more. About 80 per cent of these have been in some prison before. Some of them have been there quite a few times. In 1969, out of the 4,057 persons admitted to the federal penitentiaries 1,578 had from 4 to 20 previous prison terms.

Does punishment convince them never to return? Do the programmes we offer make them into responsible citizens or even give them the desire to do so? In spite of the efforts of some very dedicated people, I must say that we are not successful in getting to the root of the problem.

Apart from the loss of liberty the prisoner is really not being punished very much anyway. He has a comparatively easy life in prison with no responsibilities and he doesn't even have to work very hard.

His family on the outside are being very adequately punished because they are deprived of his company and support.

And you and I are being punished because we have to pay an exorbitant sum each year to keep a man in prison.

So who is punishing whom?

Punishment, gentlemen, may be what the public wants but it is not only not doing any good but is very expensive. I wonder how long we can afford the expenses of useless and ineffective punishment.

Many of these problems are the result of an unfortunate early life, in an inadequate social and economic environment – the result of poorly planned and designed urban environments.

I do not believe they are all suffering from some sort of sickness and therefore should be exempted from any punishment or discipline. *I do not believe that every vulture is a maladjusted nightingale.* Some of them, of course, are disturbed and require psychiatric treatment, but most of them are products of poor environment and lack of proper training. As with most things in life, extreme views should be avoided, and I think as much harm can be done by extreme leniency as by extreme severity.

Offenders were not born that way. Their behaviour was learned. And if criminal behaviour can be learned, it is most likely that it can be unlearned.

As unpalatable as the word and all that it implies may be, brainwashing, or some form of it, may be the only solution where the offender is a menace to himself and to society. For I firmly believe that a confirmed criminal who is a menace to society, *who shows little immediate prospect for change, should be removed from society until he can be treated and is no longer a menace.* After all, you might say that he was brainwashed into criminal behaviour in the first place.

When I talk of the offender who is a menace to society I should also mention the offender who for any one of his acts would not be considered a menace. But he repeats and repeats. He cannot hold a job for long. He commits a minor offence, is sentenced, is a good inmate, is released and repeats the pattern. He simply cannot cope with complexity of our society. We help others who cannot cope. Why do we not help him? Why do we continue to lock him up in prison?

On the other hand, I'm not advocating that we stop imprisoning people. But instead of sentences which do little to change behaviour or attitude, I believe we must continue in the direction we are now moving to treat the offender and to try and rehabilitate him as a responsible member of society. If he can be changed then release him on parole; if not, keep him in prison indefinitely especially if he has established a pattern of criminal behaviour. For as I have already stated, the real purpose of corrections is change in behaviour not mere retribution.

The purpose of proper correctional programmes, is to teach criminals to live properly in society, and to accept their responsibilities. In too many cases, we try to do this by locking them up, away from society, and keeping them in prison where they have no responsibilities.

Perhaps we should give some offenders the sharp, shock of a prison sentence of no particular length, then bring them back to court, in 30 days and put them on probation. This type of sentence has proved successful in the U.S.A.

There are far too many persons sentenced to prison in Canada who could better be dealt with in the community. Canada sends more people to prison than any other country in the world.

The ideal solution to the problem of crime and criminals, would be to place an offender under control for as long as necessary, but no longer than necessary. Wherever possible or′feasible, he should be kept in society and required to work, support his dependents and contribute to the economy of the country. If he cannot be properly controlled in society, then he must be placed in custody.

Imprisonment then should be used only as a last resort and only for those who are dangerous who cannot be properly controlled or treated in any other way. One half of the crime is committed by one quarter of the criminals. This one quarter all have three or more previous convictions and they are the ones who should be in prison for a long time until they change their attitudes.

There should be more treatment and control in the community and less use of imprisonment. Most of the offenders are not dangerous or vicious or violent and could be better controlled in the community.

Aside from the human factor that we have been considering, there is another, important, concern for you the taxpayer. That is the financial cost of keeping people in prison. The annual budget of the federal Penitentiary Service is more than $70 million. The budget for Ontario prisons is about $40 million. It costs anywhere from $5,000 to $7,000 a year to keep any inmate in one of our penitentiaries. Besides this, the inmate's family may have to be supported by public funds which can easily amount to another $2,000 to $3,000 a year.

Well, what is the solution to this? One solution is probation and another is parole.

Parole is a means by which a prisoner who gives some indication that he intends to reform can be released from prison to serve the balance of his sentence at large in society.

There are different types of paroles for different purposes. These range from temporary, or day, paroles granted for a limited period to an inmate to attend school, look for or work at a regular job, or for other rehabilitative purposes, to ordinary paroles which means an inmate is out of prison for months or years. In any case, while on parole, a person is under supervision and is subject to conditions and restrictions which are especially designed for his welfare and for the protection of society.

Parole is given to inmates who really want to stay out of trouble and seem likely to do so. It is a matter of helping those who want to help themselves. The possibility of parole provides a tremendous incentive to inmates to reform in order to get parole and get out of prison.

In many quarters, the principle of parole is little understood and reluctantly accepted. Some people believe parole is synonymous with coddling criminals. And when they read of one inmate out of hundreds, who commits a crime while on parole, they are convinced of it. Unfortunately they do not often read of all the paroled inmates who succeed in becoming responsible citizens. I guess if an offender becomes a law abiding citizen no one shouts the news – that's what he is expected to do anyway.

But what a task – what an effort that may have been. It might have been far easier for him to commit another crime and return to the secure society of other offenders in prison, where he was accepted and understood, rather than fight the frustration, the fear, the perhaps genuine inability to cope with the rules of our society. What an effort it often is and what an accomplishment is the success.

I can assure you that the National Parole Board does not coddle offenders. We offer all the help we can and if the parolee is not ready to be a responsible member of the community we can send him back to prison to finish his sentence. We do not expect a perfect record of success. You do not expect the Argos or the Maple Leafs to win every game – though your hopes may be high.

During the first 11 years of operations the Board granted 28,000 paroles of all types. Almost 90 per cent of these paroles were successfully completed without the parolee being returned to prison.

The inmate does not just apply for parole and get it. There is a carefully planned programme behind each release. Even before we grant parole we spend four months looking at a case; studying reports from the institutions, the police and the courts, making investigations in the community, talking to family, relatives, friends and employers. And of course, we talk to the inmate himself.

Are his family relationships good? Does he have a chance for a job?

We want to know if his attitude has changed. We want to know what insights he has of the problems that took him into prison in the first place. We want to know who in the community is willing and able to help him. And we want to know if he is ready and able to help himself. He needs help, and we and other agencies will give him what we can. But a man who is not willing to help himself is not likely to succeed.

Remember, gentlemen, that almost all prisoners are going to come out of prison sooner or later anyway whether you or I like it or not and whether they are ready or not.

If they come out on parole they are under control and cannot as easily return to crime. They also are under control for their good conduct remission time which is ⅓ of their sentence so they are under control for a much longer period than they would be if they finished their sentences in prison.

We try to prepare him to re-establish himself in society. He may not recognize how difficult it is, for a man who has been shut off from day to day life for two, five, or ten years cannot just walk out of prison and start afresh. He will probably be socially awkward and insecure. The problems that sent him to prison in the first place may still need attention. Compounding this is the fact that offenders are often difficult to understand and sometimes continue to be difficult. So they evoke negative or even hostile reactions from the public.

One of the more crucial aspects of his rehabilitation is employment.

We have taken steps to improve bonding for parolees, as well as probationers and ex-offenders, in a co-operative effort between government and private agencies and insurance bonding companies. There is not a stated limit for the bond and applications are given individual consideration. After care agencies, in effect "sponsor" the person up for bonding. This has removed much of the difficulty in getting jobs where bonding was involved and perhaps has eliminated some of the reticence many men felt about applying for jobs where bonding was needed.

Nevertheless, some doors still remain closed. Some employers say the inmate does not have adequate training but are really probably not willing to make the extra effort to help rehabilitate the man. Other employers will not hire a man because of the nature of his offence. Still others fear that hiring anyone "with a record" could jeopardize their contracts with other firms. But, let us not discount the successes and the fact that we are making useful citizens out of former criminals.

I mentioned earlier the high cost of keeping men in prison. Parole not only offers a better chance of rehabilitation and saves on the cost of imprisonment, it contributes to the economy of Canada. In May of this year we completed a survey on the earnings of approximately 3,400 men on parole across Canada. During that month almost 2,300 of these men were working and supporting 3,300 dependents. The average wage was $405 and their gross earnings for this year should reach $12 million. In Toronto, 452 parolees were supporting 460 dependents and will earn almost $139,000 this year.

The working parolee earns money, spends money and pays taxes like everyone else. Their earnings are not only contributing to the economy of the country but are definitely contributing to the success of their rehabilitation. A number of studies have shown that a paroled inmate who is continuously employed has a much better chance for a successful rehabilitation and it is easier for him to assume responsibility for himself and his family.

One of these studies, made by the National Parole Board over a five year period, shows that the first two years are the most important for the success of parole and the first is especially important. In other words, the parolee must find a niche in the community as soon as possible, if he is to have any chance to succeed.

A parolee needs a chance to prove himself to gain self-respect, so he can be more receptive to the idea of respecting the rights of others. Self-respect is necessary for good citizenship. But good citizenship just doesn't happen. It is created, even in the most fortunate of us. How much longer and how much harder is it to create a good citizen from a bad one. And it takes good citizens to create good citizens. Crime, gentlemen, is everybody's business.

For our part, I believe that those of us who are intimately involved in rehabilitation should make greater use of probation, parole and detention homes. I believe we should make greater use of volunteers who can work with professionals within the probation and parole systems. And I also believe we could make greater use of sentences of an indeterminate length with enough flexibility that offenders can be released when – like athletes – they have peaked and are ready.

Indeed, I predict that within 10 years, if we do things properly, we could have half the number of people in prison have a greater success at rehabilitation and reduce the need for protection in the community.

What can you do as a taxpayer and a citizen? As a taxpayer you could save yourself a lot of money if you helped change the urban environment by insisting on good urban design and planning. This, I believe, would reduce criminal behaviour as a response against the environment. And when I think of the apathy that prevents this I am reminded of the phrase, "the only thing necessary for the triumph of evil is for good men to do nothing."

Perhaps you have only been asked to participate as a taxpayer paying for police, prisons, and parole. Now I'm asking you to do something as a citizen. We need your support, we need your understanding and we need your help. Your assistance can come in the form of voluntary involvement or simply opening a door to a job. Let me stress again, if you do not give the parolee a chance to work, there is almost no way he can rehabilitate himself. I do not guarantee one hundred percent success. But if you do succeed you are likely to have a useful and loyal employee and you will certainly have the satisfaction of helping someone become a good citizen.

We have often been told we are our brother's keeper. I think we have kept him too long. We should be our brother's brother.

In conclusion, let me quote a remark of Albert Schweitzer, who gave up so much of his life to help his fellow man.

> "You must give some time to your fellow man. Even if it's a little thing, do something for those who have need of help, something for which you can get no pay but the privilege of doing it. For remember, you don't live in a world all your own. Your brothers are here too."

The gratitude of the Club was expressed by Mr. H. Allen Leal, Q.C.

OCTOBER 15, 1970

Man in Management

AN ADDRESS BY Arthur J. E. Child,
B. Com., M.A., F.C.I.S.,
PRESIDENT, BURNS FOODS LIMITED

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Dr. Ross K. Cameron, D.D.,C.D.

DR. CRANFIELD:

Would you agree that a man is truly educated when his breadth of learning is from four of this continent's most respected universities? Such, too, would be a man who has established his position as an author with a book on internal auditing and another on the history of United States Banking. When a man is a member of five of Canada's Learned Societies he was undoubtedly a successful student. If, in addition, he has been an associate professor and presently is a member of the Institute of Strategic Studies in London, England he is an established scholar.

Our speaker joined Canada Packers Ltd. as a University graduate though only 20 years of age. By age 28 he had become the Chief Auditor and was successively Secretary, Treasurer, Vice-President, Director and member of the Executive Committee. In 1960 he moved to Intercontinental Packers Limited as President and in five years tripled the size of the company. In April of 1966 he was asked to become President and Chief Executive Officer of Burns Foods Limited. The company at that time was suffering losses at the rate of $4,000,000 a year. This former boxer and aviator was unable to resist the challenge. Last year (1969) the company had a pre-tax profit of $4,000,000. Sales have increased from $200,000,000 to $300,000,000 since 1966.

The audience, I feel sure, will forgive a personal reference to my father. He retired from business as the manager of two Burns business branch enterprises which he held simultaneously. This was in the early days of affluence and success in the Burns Foods corporation. The image of Burns drawn by father compelled me to seek out its present leader so that you might hear his message. This man is both schoolmaster and business man and he respects and understands both worlds.

I assure him now, that you, the audience will abide by the adage, "Spoil the rod –". Gentlemen here is Mr. Arthur J. E. Child who is the best qualified person one could find to speak about "Man in Management." Mr. Child –

MR. CHILD:

This is the third of three speeches I wrote for this luncheon address. The first two had a social and political theme and I finally decided they were too polemic, which might not be good business in my position. Eventually I sought the advice of one of your members. He told me that those who attend the Empire Club luncheons like to hear something they know very little about, so he said why don't you talk about your industry and your firm. I have taken his advice. Our industry, the meat packing industry, is certainly not a glamorous one. To many people it is not very attractive. In fact, when I left school this was the last business I would have chosen. I wanted to go into the nice clean steel business but there were no jobs in the steel business at that time. There were no jobs, period, except a very junior clerkship in the Harris Abattoir Company.

It surprises me that many people say: what do you people do in the meat packing industry? You sell meat in packages or tins. Do you sell any other kind of meat? Possibly they think that all the fresh meat they see in a retail store was slaughtered by or for the retailer, as used to be the case in the old days. The fact is that virtually all the meat consumed in Canada in any form – fresh, frozen, cured, smoked, cooked, canned – comes from the meat packing industry. We are the people who transform cattle, hogs, calves, lambs and poultry into meat products. We are not in the live stock raising business, nor do we sell at retail to the consuming public. We are manufacturers, in the middle between the live stock raiser and the retailer. The fact that we are in the middle creates many of our problems.

The size of our industry will surprise you. It is the third largest in Canada, with annual sales of some billion and a half dollars. In western Canada meat packing is the largest industry, ahead of oil and gas. In Saskatchewan, our company's operations alone in that province are bigger than the much publicized potash industry. In nine prairie cities the meat packing industry is the largest employer. In the City of Calgary, Burns Foods is the largest employer and Burns is the largest company with its Head Office in Calgary. We are far ahead in size of any Calgary-based oil company.

In these days of grain surpluses and lack of grain sales the meat packing industry has been invaluable to the prairie economy. We pay cash on the day that live stock is delivered to our plants. Cattle, hogs and sheep, you may not realize, are a perishable commodity. They must be marketed the day they are ready or they deteriorate in quality. The meat packing industry takes all live stock the day it arrives, whether or not it has a market for the meat. Our job is to find the market.

An industry with our turnover requires large amounts of raw material. In Alberta there are four million cattle, as against 1½ million human beings. The province of Saskatchewan has twice as many cattle as people. And the flow of hogs to meat packing plants this year will be over 8,000,000 animals. In any given farm district it takes an enormous supply of live stock just to keep *one* packing plant going.

The meat packing industry was not started to supply meat products to the people of Canada. It began here in Toronto when an English butcher named William Davies built a plant in 1874 to ship sides of pork to Great Britain. In 1901 William Harris formed a company in Toronto to send beef overseas.

Nobody at that time thought of supplying meat to the Canadian consumer by means of a factory operation. The retailer did his own butchering of cattle and hogs, made his own sausage, and smoked his own hams.

The original concept of a meat packing industry to supply beef to Great Britain was a failure from the start. Canada is not able to compete with much cheaper beef from Australia and Argentina. I am sure you well know it is price, not sentiment, that determines the course of export trade. The demise of pork shipments to Britain took longer. The trade flourished until 1910 and created the wealth of people like Joseph Flavelle who gained control of the William Davies Company. After that date the Danes and the Dutch and the Poles pushed Canada out of the British market. We could not compete in price, and to some extent in quality. There was a great revival of shipments during the two wars when Europe was cut off, and in the 1930's strenuous attempts were made to re-enter Britain with pork products. However, the simple fact is that it costs more to raise hogs in Canada than in Denmark. A price that gives the Danes a nice profit is so low that the Canadian farmer would abandon hogs if he had to accept it.

Fortunately the loss of the British market was offset by human population growth in Canada. A substantial hog industry in Canada can now be supported by domestic consumption at prices high enough to give the farmer a profit.

Except for some shipments to the United States, and a world market for certain by-products, it has not been necessary up to now for us to seek export markets for pork. The same is true of beef. We have never exported beef in any significant quantity from Canada. Today we are in fact short of beef and we import a great deal from Australia and New Zealand.

The large companies in the industry handle a wide range of products other than meat. In addition to our meat packing division we have a dairy division for milk and ice cream, a fruit and vegetable company, and a grocery products division. All of these have manufacturing facilities but they also act as distribution agents for other manufacturers.

The task of sending meat and other food products into the far north might interest you. Our company maintains distributing branches at Whitehorse in the Yukon and Yellowknife in the North-West Territories. The Whitehorse operation is supplied by our plant at Edmonton and the shipments go by refrigerated truck over the Alaska Highway. The distance is 1300 miles and the unpaved portion of the highway is one of the worst in the world. The dust in the summertime is unbelievable. I once saw a truck arrive at Whitehorse three hours late because eight tires had blown on the trip. The previously scheduled truck had not arrived at all. The driver was in the hospital at Watson Lake, having failed to make a bad turn.

Shipment to Yellowknife is somewhat different. There is a road, all gravel, 750 miles from Edmonton. There is no bridge over the Mackenzie River, so the road is closed during several weeks in the spring and fall when the ferry cannot operate or the ice is not thick enough. In those weeks Yellowknife is supplied by air. The remote sites are supplied by air all year round unless they can be served by winter tractor train or by the Mackenzie River system. In that case the merchandise goes on the barges of the Northern Transportation Company. There are two big barge movements a year: in the spring when the ice goes out and in the late summer before freeze-up. The barges go right down the river to the Arctic Ocean. One of our big items for the north is ice cream. It is very popular with the Indians and Eskimos.

Meat packing is probably the most complex of any manufacturing industry. To illustrate, let me compare it with the oil and gas, pulp and paper, steel, and automobile industries. On both the supply and demand side of those industries there is a stability of costs and prices completely unknown to us. For the most part these other industries can make long-range plans for a definite amount of raw material at known costs. They usually control their supplies of raw material. In our case we have absolutely no control over our raw material supplies. We can estimate, but we have no control because our supplies come from tens of thousands of farmers across Canada, each one making his own decision as to when and where he will ship his live stock. Our prices for live stock, which are our raw material cost, are never known in advance. We can only guess what we will pay for hogs next month, next week, or tomorrow.

Similarly, selling price changes of the primary processors whom I have mentioned (oil, steel, automobiles, etc.) are not frequent. The manufacturer's price may stay the same for a whole year. The prices of our meat products very often do not stay the same for a whole day. The reason is that, like the supply side of our business, we are negotiating on the selling side with tens of thousands of customers. We operate under a whole host of variable market conditions such as weather, feed grain prices, consumer preferences, U.S. markets, world by-product markets, interaction of food products, and farmers' decisions.

In the calculation of costs we are different from almost everybody else. The cost of an automobile is the sum of the cost of the parts. But how do you determine the cost of a loin of beef, which is only a part of a whole animal? You know what you paid for the steer but not for any of its components.

All of these complexities and variables have made it nearly impossible so far to computerize our industry. We cannot lock in a set of constants to a computer programme and then turn out answers by a few variations in input. Virtually all of our inputs are not only in a continual state of change but most are impossible of precise prediction. And when one works on a profit margin of less than one per cent, then the need for precision is absolutely mandatory.

Perhaps this now makes clear to you that the human factor in our industry is very important. First of all, it is necessary for us to have profit centres by regions and then by our major commodities. Because of the volatile nature of costs and selling prices a company of our size needs hundreds of men in decision-making positions. There is no way that our Head Office can do anything but give general direction. Our day-to-day operations are in the hands of men in the field. At Head Office we have no control over prices, for example, except to see the ultimate effect of price movements in the weekly results of each profit centre.

The importance of the human element is illustrated by the history of the individual firms in the industry. Let me tell you a little about our own company.

Patrick Burns was an Irish Catholic born in Oshawa, Ontario. Like the proverbial Horatio Alger hero, he went west to seek his fortune, first as a homesteader, but soon as an entrepreneur in a small way. He hauled freight for farmers and bought and sold cattle. Eventually he bought cattle but sold them as beef, to the gangs building the first railways across the prairies. In the beginning he operated on the spot, where the construction was going on, but in 1890 he built a plant at Calgary and thereby acquired a fixed base. We are still in the same location, but it is not the same plant.

The opening up of the west made it essential to construct plants to supply meat to the growing population. Pat Burns kept abreast of developments by building plants in most of the prairie cities plus one in Vancouver. For those times he became an entrepreneur on a very large and imaginative scale. In addition to meat packing plants he built a network of wholesale branches, dairies, cheese plants, fruit warehouses, and a large chain of retail stores. The number of Burns establishments in the 1920's was far greater than we have today, attesting to the energy and initiative of one man. Furthermore the enterprise was eminently successful.

By the late 1920's, however, Pat Burns was over 70 and no longer desirous of active administration of the company. He had no son to carry on. Therefore he decided to sell all of his interests, except ranching, to the public and in 1928 the Burns firm became Burns & Co. Ltd. Pat Burns, who became a senator in 1931, was Chairman of the Board until his death in 1937.

The sales of the company in 1928 were about $40,000,000. Over the next 35 years there was a steady growth in sales, reaching $190,000,000 by 1963. This growth multiple of almost five times compares with six times for Canada Packers, the leading firm in the industry. However, the profit record of Burns came nowhere near that of Canada Packers, which has never known a loss year and whose annual net profit has climbed steadily from a million dollars in 1928 to $10,000,000 in the last fiscal year. In the 1930's the Burns record was an unhappy one, with losses forcing a capital reorganization. The late 1940's and the 1950's were reasonably good years, but the early years of the next decade found the firm again in difficulties. By 1963 the market value of Burns shares had been driven down far below book value and appeared to present a takeover opportunity.

We might at this point ask what happened to Burns after 1928. Why did a previously very successful firm turn into a mediocre performer? I have no personal knowledge of affairs inside Burns, since in all this time I was with Canada Packers. I do not want to discredit anyone in Burns, but I suppose I can speculate out loud. I would guess that the spark went out of the company when it was no longer under the personal leadership of Pat Burns. I have already referred to the importance of the human element in the management of meat packing operations. The highly competitive nature of our industry requires the highest possible amount of energy, initiative and imagination from the whole management group across the country. There must be a willingness and even a zeal for hard work, long hours, and dedication to the interests of the firm. Top management must set the example in this respect.

It is a good question whether the management of Burns during those years came up to this standard. I have been told that jobs in Burns in those days were a sinecure. Nobody got fired. Nobody wanted to rock the boat. If that is so, it is very easy to start living with inefficiency. And once a chief executive officer accepts inefficiency, it is very difficult for him to change pace. A new man can turn a company upside down. It is a rare case when this is done by an incumbent. It is a rare case when the need for it is realized. My former boss, the late President of Canada Packers, J. S. McLean, had a favourite quotation from Alexander Pope in this regard:

"Vice is a monster of so frightful mien,
As to be hated needs but to be seen;
Yet seen too oft, familiar with her face,
We first endure, then pity, then embrace."

As many of you know, a new group gained control of Burns in 1964. They bought the shares at \$11¼ which had a book value of \$30 at the time. The leading figure in the take-over reasoned that the company could not only be made profitable, but it could be made the vehicle for a greatly expanded food empire. He was quite right. His vision was sound.

In the event, however, the company was on the edge of bankruptcy within two years. By the spring of 1966 it was losing $350,000 a month, which would be $4,000,000 on an annual basis.

What went wrong?

Again we go back to the need for highly-skilled, experienced, and hard-working management. The new group, with no knowledge of the meat packing industry, was not aware of this fact. They did not realize how much the industry depends on every man in the whole corps of operating management. They not only ignored the existing management group but they condemned the accepted methodology of the industry. They felt that new concepts would open up a new profit horizon, although they did not know what those concepts would be.

The major areas of a meat packing firm are production, operations, sales and finance. New people were brought in at the top in all of these areas, and most of them knew nothing about meat packing. In addition, five different consulting firms were used over the two-year period. In the dairy division a whole team of "experts" came into executive positions. The end result was indescribable and I do not want to talk about it in any detail. Suffice it to say that Burns lost a number of good men during this period, it lost ground seriously in sales and customer relations, and morale became so bad that one of its major offices invited the union to come in and organize it. And, of course, profits turned into frightful losses. In only one area was there a successful transformation. That was production, where a young man trained at Canada Packers succeeded in creating a great improvement in efficiency.

In March of 1966 I was asked to come as President and Chief Executive Officer, with carte blanche authority. You know the story. The losses were stopped. The company has become profitable and is expanding at a satisfactory rate. Again, you may ask: what happened?

First, a newcomer has no inhibitions about persons or systems or accepted practices. He has no obligation to anybody except the shareholders. Secondly, there was 35 years of experience in the industry. During those 35 years I had made plenty of mistakes, which is a great way to get an education in business. Thirdly, my old associates in Canada Packers were very helpful. They went on an 11-week strike four months after I came to Burns. They dumped a million and a half dollars in my lap to get me off the ground. It is no doubt true that success in this world is half hard work and half good luck. I have had my share of both.

As to the rest of the story, the management consultants had thrown in the towel before I arrived. The newcomers, the strangers to meat packing, had either departed or went within a few months. This left me for the most part with only the people who had been in Burns *before* the takeover. This was enough. I did not bring in any new people.

It was my good fortune to find all the people in Burns and its subsidiaries who could turn the company into a successful operation. Of course few of them were in the positions they occupy today. Rather there has been a great deal of sorting out since 1966. There has been an unyielding demand for the right people in the right jobs, without compromising standards of performance in any way. This has meant hundreds of promotions, demotions and lateral transfers. The process is still going on, but we had developed a fairly strong management group by 1968.

The first task in 1966 was to get down to a simple low-cost organization and then develop an aggressive sales programme. A complicated set of financial controls was discarded in the first week. A schoolboy can understand the accounting tools we use today. I said that Canada Packers gave us a million and a half dollars in our first six months. We gave ourselves two million dollars by expense reduction.

There was a complete elimination in the summer of 1966 of the marketing and advertising departments and their programmes. The advertising agency was dropped because there was no more work for them to do. You might say: how in the world could Burns achieve consistent sales increases since 1966 and do a thing like that?

The answer is that one Burns man was found, of long experience, who became the sole member of the new sales and advertising general staff. We went back to sales programmes that had worked in the past, we set up a modest advertising budget, and we began the task of revising our packages and labels and other image-building materials. All of the visual evidence of Burns that you see today has been developed by our own people over the last four years. The increase in sales is the work of our sales forces, responding to enthusiastic and imaginative leadership. We still have no advertising agency.

An immense morale-building job had to be done in Burns in 1966. There were many ways in which this was accomplished. By bringing in no outsiders, our people in Burns responded to the confidence and responsibility suddenly extended to them. A complete new concept of local autonomy was handed to plant and branch managers. And the sudden demand to do a job, or else, was in itself a morale-builder. Good people do not respect management which puts up with incompetence. Our people saw that we were trying to promote efficiency, correct inequities, and create opportunities.

We spent a lot of money to boost morale. In that first six months half a million dollars went for the up-grading of facilities. There was to be no tolerance in future of shabby plants and third-rate surroundings. Salaries were increased, even at Palm Dairies where cruel losses continued in 1967. The theory was that once the right people were discovered they were entitled to be well paid for the new responsibilities thrust on them. The greatest lift to morale of course was the realization by our people that their company could not only be rescued from disaster, but that their efforts were turning it into a profitable and successful enterprise. And we are going further than just restoring morale. It would not be unfair to say that the Burns of ten years ago was not exactly aggressive in spirit and outlook. Today we make no secret of the fact that we intend to increase our share of the market in every possible way, and we are trying to build that spirit in all of our 5,000 employees. Burns is not an impersonal bureaucratic machine. It is a living, breathing human organism.

As to the future we are confident, but by no means complacent. Our earnings ratio is still very far from satisfactory. We are not yet coping with market changes as well as we should, and there are times such as the present year when our expense control does not suit us. And in our industry the rate of obsolescence of plant and equipment is so rapid it would make a grown man cry. Expenditures in this area are never-ending.

We have of course made substantial progress since 1966. From sales of $200,000,000 at that time we shall reach $315,000,000 this year, and I expect that 1971 will see $375,000,000. There is some price inflation in these figures but nevertheless we have had a physical increase in sales volume every year. There are also acquisitions. In this respect Burns has no intention of becoming a conglomerate, of making acquisitions for the sake of size. All of our additions have been within our present orbit. We do not know how to manage business that are unrelated to our present activities, so in the foreseeable future Burns will not move in that direction.

I am optimistic about our future for several reasons. One reason is that so many of our people feel they are a part of management. We are all in each other's confidence. We know about each other's successes and failures, because it is our policy to keep everyone in management ranks fully informed of our operations. Our people are glad to see successes, but they are also intolerant of their colleagues who make mistakes. Our people feel strongly that they have a stake in the future of Burns, so they are not inclined to suffer incompetence in silence.

So this is the story of Burns. I wonder what this story means to those in this country who are anxious to destroy the free enterprise system. I suppose they might say that Pat Burns was nothing but a robber baron. I prefer to think he was a builder of the west. He created a great enterprise which was necessary to westward expansion and created jobs for thousands of Canadians. His wealth, honestly acquired, reposes in the Burns Foundation for the betterment of this country.

The enemies of the business world could say that the performance of Burns from 1928 to 1966 hardly bears witness to the claimed efficiency of the free enterprise system. I prefer to think that it is the profit motive that brings inefficiency to light and forces its elimination. The necessity to make a profit has forced us in Burns to remove round pegs from square holes, to promote people who demonstrate initiative, and to emphasize the virtue of hard work. One wonders whether this would have happened under state ownership.

The gratitude of the Club was expressed by Mr. R. B. Dale-Harris, D.S.O., F.C.A.

OCTOBER 22, 1970

Are Canadians Simply Americans on Snowshoes?

AN ADDRESS BY John Straiton
PRESIDENT, OGILVY & MATHER

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Dr. Leland A. Gregory

DR. CRANFIELD:

This would not be much of an introduction if all I had to go on were the less than a dozen biographical lines that this modest man allowed to come out of his office. Maybe it will not be a fitting introduction anyway for it is very hard to do justice to one so accomplished. I did get my hands on an article written by Pat Annesley – that appeared in "Marketing" on the last day of January 1969 and it brings him into focus. Here is a man, native to Kapuskasing where everyone in High School, who is worthwhile, acquires a nickname. He was known as "the Professor". Probably because of the horn-rimmed glasses and the ability even then to be wiser than he pretended. Kapuskasing is, as you know, a town of 3000 or so, all of whom are inescapably part of the Spruce Falls Power & Paper Company. It is well above the watershed that directs the rivers into Hudson and James Bay and is a most unlikely place to breed the President and Creative Director of one of this country's most successful advertising agencies, or so it seems to me. He must have had a little talent to contribute as well, something inherited perhaps, for he has a brother in the same trade but in a different organization. (O.K. He is with our good friend Red Foster.) Our speaker was the best artist in town, probably in the whole Hudson's Bay basin except for the odd Eskimo soapstone carver and when he got to Queen's University from whom he obtained a B.A. he used this talent, one year, to create their Christmas card. That isn't so much in itself but it was a sign post showing what direction he was to take. On graduation he spent six months in advertising but he and his first employer agreed that his career was not to be with Spitzer & Mills, maybe not even in advertising. However he was soon back and with the Tandy Advertising Limited and was with them for three years. He left them to go to Young and Rubicam where he stayed for ten years and became the Creative Director and a Vice-President.

I gather that he isn't clear as to why he joined Ogilvy and Mather (Canada) Ltd. as its first copywriter in 1961 for they were just struggling out of the egg. There were only 16 people working for the company then. To-day, nine years later, there are 145 and the product has ten times the dollar value – nearly 20 million annually. That isn't the real story, for in the trade he is known as Mr. Chocolate Rowntree, Mr. Soupie Campbell and is stand-in to Commander Whitehead with Schweppes. Besides these, Shell Oil, Johnson & Johnson and Mercedes-Benz are indebted to his sales genius.

Basically this man has more than talent – he believes in doing things very well indeed, which, it is said, he does because he lacks self confidence. In which circumstance you become like Avis, you just try harder. The difference here is that he *is* No. 1. One of his hobbies is photography and here his artistic talent, bolstered by his diligence and pains-taking attention to perfection, have earned him the amateur award in the Cannes Film Festival twice. (This feat, by the way, has never been equalled by any other person.) So far I have said not a word about his ability to present himself as a speaker; a demonstration of this art is better than anything I could tell you. Let him speak for himself. I now present to you an artistic, articulate, intelligent and thorough man, Mr. John S. Straiton, President and Creative Director of Ogilvy and Mather (Canada) Ltd. His topic will be "Are Canadians Simply Americans on Snowshoes?"

JOHN S. STRAITON

I figure I am about as Canadian as you can get.

I was born in a log house, five hundred miles north of here. For those of you that need orienting, Kapuskasing is 40 miles east of Opasatika. If you walked straight north from my house, the next living soul you'd meet would be Russian.

There used to be a saying up there – "We get nine months of winter and three months of poor snowshoeing." Actually, that wasn't true. We got *five* months of poor snowshoeing.

When I was a boy, we used to melt snow in a boiler on the kitchen stove to have our Saturday bath in the winter. In summer, we used the river. In the spring and fall, we just stayed a bit farther away from each other.

We had oil lamps, chopped kindling wood, carried water, and were eaten alive by mosquitoes. All the things the well-to-do buy cottages for nowadays.

In winter we were hauled three miles to school in a kind of covered wagon on sleigh runners, hauled by a team of buckskins. All those young bodies squeezed into a dark space on those cold winter mornings. Beats sex education.

How well I remember the excitement of my first trip to the sunny south from Kapuskasing. It took us three days and we got as far south as Timmins.

In the last couple of years I have been to England, Switzerland, Portugal, France and Texas. I've come all the way from the horse and wagon days to the jet. And I'm still three years younger than Pierre Elliott Trudeau.

Things are changing.

To illustrate, let me tell you about my old friend Harold Ekinswaller up in Kapuskasing. Harold was the ace salesman for the Fleet Ford Snowshoe Company. He was also an adroit marketing mind. There was this awful summer slump in snowshoe sales, so Harold developed the world's only moose-gut tennis racket. Used the same production facilities. A bloody good tennis racket it was too, if you didn't mind the flies.

Now, back when I'm talking about, Harold was taking a week off to sit on the back porch and look at his garden. That year the circus came to town for the first time. They set up their tents in August Ridley's pasture. None of us had ever seen any of them wild animals in our lives. Well, wouldn't you know, the elephant pulled his peg out of the muskeg and runs away.

Well, old Harold was sitting on the back porch sipping a glass of goof when this elephant comes wandering into his garden and starts pulling up his cabbages with his trunk and shoving them into his mouth. Well, old Harold leaps into the kitchen and rings up old Alvin Burnby at the O.P.P.

"Cripes, Alvin," he says. "There's a big grey animal in my back yard."

"Oh," said Alvin. "What about it?"

"Well cripes, Alvin," says Harold. "It's bigger'n a moose. And it's pulling up cabbages with its tail."

"Pulling up your cabbages with its tail? What's it doing with them?"

"Gollies Alvin, you wouldn't believe me if I told you."

Well that story's not really true. I made it up. But it *could* have happened. I saw my first elephant three years ago, in Calgary.

On the other hand, my friends in Kapuskasing now buy

Japanese colour television sets, German cameras, English chocolates, Californian avocadoes, South African oranges, New Zealand lamb and Hungarian wine.

And the paper mills like the one in Kapuskasing are selling newsprint and other paper products to Toledo, Takasaki and Timbuctoo too.

My home town – and the rest of Canada, is now part of the *Global Supermarket.*

We want to *buy* things from other parts of the world. We have things to *sell* in other parts of the world.

The age of the multi-national corporation is upon us. Or the international corporation. Or, some say, wryly, the *American* Corporation.

Our advertising company was started by a runaway Scotchman, David Ogilvy, in the United States. It has become international, almost by invitation.

David Ogilvy's penchant for factual advertising has caused companies in Europe, Australia, New Zealand, Venezuela, Argentina, Mexico, 17 countries in all, to encourage *his* company, using *his* methods, to set up shop in their countries. (The agency has just received a request for a coffee commercial, from a *Moscow* advertising agency for its library of foreign commercials.)

We have gone to work for many international corporations. *In Canada* we have 7 international clients whose headquarters are in the United States, five whose headquarters are in *Britain*, *one* headquartered in Germany and *six* whose headquarters are in *Canada.*

My colleagues around the world tell me that Canada is no slouch at being an international operator.

We're giants in Banking around the globe. In farm machinery. How about Alcan, Hudson's Bay, Weston, Distillers Corporation, Brascan, Canadian Breweries, all *huge* international corporations. Air Canada is one of the world's largest international airlines.

Canada has done a vigorous job in the past five years to merchandise its produce to the world. Exports have *more than doubled* while world trade has grown 69 percent.

But watch out. With the U.S. dollar under pressure, those super salesmen south of the border are going to put on *extra pressure* for world markets.

We'll have to sweat a little more, be a little more clever, work a little longer and produce a little faster *just to hold our ground.*

To gain ground, we have to do it all a hell of a lot harder.

We have some things going for us. Our sense of inferiority is not, happily, one of our exports.

Canada is looked upon with affection in most *European* countries. We're as well liked as whites can be liked in the Carribean. South Americans regard us, still, as a thing apart from the United States. Holland has a special affection for Canadians.

And speaking of people who love us, have we forgotten our old friends floating off the coast of Europe: the English, the Welsh, the Irish and the Scotch? We may say nasty things about the Queen, but they say very nice things about our airlines, our apples, and, occasionally, about Roy Thompson of Fleet.

I don't know what Americans think about Canada in general. (They have probably some new ideas with the horrible news this week.)

We once tested some advertising ideas for a stereo set in Toronto and in Chicago. The phrase "Made in Canada by Canadian Craftsmen" was rated better in Chicago than it was in Toronto. I know that Canadian whiskey is the biggest selling whiskey in the U.S. They like our spirit, anyhow.

What else have we got? How about *production flexibility*? Because we are a small country, we can *think small.*

For example, Bata Engineering. The American plants scoffed at an order for aircraft landing gear. They couldn't be bothered to put up with the down time needed to switch to making a modest seven dozen parts, however big. But Bata Engineering quoted the job and got it. Each part called for hundreds of machining operations and was worth *hundreds of thousands*. Small potatoes for Americans. Big stuff for us.

That same company, besides pulling in foreign orders galore, makes *most of the modern shoe-manufacturing systems sold around the world*.

About 10 years ago, a guy called Lewis flew from Toronto to Britain and Europe. Some people chuckled behind their hands. What was he selling? Do-it-yourself Moccasins.

A lot of the giggles disappeared when Mr. Lewis returned to Canada with orders for *millions* of un-made moccasins.

Gerry Lewis build Lewis Craft do-it-yourself kits to a national pastime – something for all of us to do when we retire. He's a true salesman – and Canada needs more like him.

We're going places in the *computer* business. And remember the Ski-doo.

Low production runs are, however, far from a total blessing. A canning line that would supply New York State efficiently would be running under capacity in the entire nation of Canada.

Canada needs to manufacture more products at home. That will mean either that we'll have to take the extra cost of small production runs (that's one thing they mean by tightening our belts to be Canadian) – or we'll have to find new markets to allow for bigger production runs.

Japan developes its products for home consumption first. Then, when the home market is saturated, *look out world*. First cameras. Then electronic equipment. Now by golly, they're scaring the wits out of the Americans and the Germans with their cars.

Our miniature population is spread out – ad mare usque ad mare. Eighty per cent of our people live within 50 miles of the U.S. border, pushed south by mosquitoes and cold weather, and held north by the immigration authorities.

Getting products to this thin red line of people is a headache, and *costly*.

In some parts of the country, the grocery stores are thirty miles apart. A soap salesman in New York State can average 20 calls a day. In Saskatchewan he's a wonder if he makes eight.

Advertising, too, is more demanding in Canada compared with how it is in the States.

For instance, if an ad agency in the States makes an ad and runs it in Life Magazine, say, they make 15 per cent of the page cost which is about $9,630. Now if we made exactly the same ad, with exactly the same amount of work, and ran it in Macleans, we would make about $1,622, which is about 17 per cent of the money for the same amount of effort.

We have learned a lot of ways to waste less time, to get to the heart of problems faster here.

I think that in Canada, we stand in a unique position in the advertising industry. We sit across the border from the United States where we can observe successes, and failures. We have a taste of *international* experience because we must work in two languages, and at least two cultures. We look at American TV and read American magazines. We also read Canadian magazines and newspapers, and have four television networks of our own.

But, we learn to think and work on a scale that is more in the range of other countries than the States.

France and Germany have about twice the population of Canada. Spain, Yugoslavia are in the same size league as Canada. Belgium, Sweden, Venezuela and Holland are about a third to a half Canada's size. *If you want to advertise in some of these countries, you're talking about populations, in many cases, about the size of New York city.*

Japan spends about a billion dollars on advertising – slightly more than Canada, Britain and Germany, the next largest after America, each spent about twice what Canada does.

Consider Switzerland. There is a country with five million people, less people than our province of Quebec.

The United States spends $20 billion, 450 million on advertising, around twenty times as much as Canada.

In advertising, the United States is *ten times* bigger than *anybody.*

People rave about the value of American advertising experience. What use is it? It's like learning to hit *only* long drives in golf. In Canada you learn how to putt. Like they say in golf circles: "Drive for show, putt for dough."

There are plenty of cases of practical Canadian salesmanship working in many parts of the world.

Let's start with a paper product: Johnson & Johnson J Cloth. Surely you've used one lately, to buff up the chrome on the Rolls. The J Cloth product concept was developed and named and sold first in Canada.

In the States, J&J franchised Colgate to sell the product under the name Handi-Wipes. They took a look at the Canadian advertising, reproduced it exactly and enjoyed *healthy* sales. Same thing happened in Britain.

Are Canadian simply Americans on snowshoes?

I dunno. *I do* know that where human needs are similar, their reactions to advertising are also similar.

That's why I say, "*the product* makes the advertising."

It is easy to find out the essential product feature on which to base advertising. You simply collect *all* the product's attributes, by *talking* to people, by *showing* them the product, by talking to the *inventors* who developed the product. Then you have these ranked by *consumers*, using a simple research method "Yes, I love it. No, I hate it." You know where you're going. You get rid of stupid ad approaches. You find what the consumer *wants.*

That's how we found people liked the *milk* in Aero milk chocolate. Elementary, you say? But nobody had sold the milk in milk chocolate for *a generation.* Aero is now

Canada's number one milk chocolate bar. You know the commercial – glass milk – the milk disappears, the bar appears. We found the *same* appeal worked in *Australia* and England too.

I insist that we use research as a guide to creativity. For objectivity. We continuously go to the consumer for reactions to selling ideas, to commercials. By sticking to an objective method from country to country, you can reduce the influence of chauvinism, of creative vanity.

Advertising is like wine. Some of it does not travel well. Any message based on local idiosyncrasies obviously can't go from country to country. Like one for Coffee Crisp – where the guy says "How do you like your coffee?" and the gal says, "Crisp". He says, "Crisp?". She says, "I like my 'Coffee Crisp' ". Try translating *that* into *French* or Swahili.

I could show you advertising made in Canada for Canadian International Paper, for Shell Mileage, for Campbell's soup, for Mercedes-Benz that has been used from country to country – because it extolled the virtues of the *product* – and did not try to be cute, clever, funny or swinging. *The products makes the advertising.*

I used to be pretty humble about the ability of Canadians to compete in the toughest markets in the world. But not any more. We have learned how to do it fast, efficiently, economically. Our Canadian advertising approach stands up fantastically well in other lands.

It is time for Canada to get out and capture more world business. We have to *compete* with international corporations so we have to *operate* like international corporations.

If the international corporation is the way of the future – does it take advantage of us or do we take advantage of it?

Are Canadians simply Americans on snowshoes?

We have this conservative nature in Canada. That's why we have so much of our money in savings accounts. That's why the average Canadian is less willing to invest in Canada than the average American. That's why we have the highest life insurance per capita in the world. We like to be sure of *something*.

We have gone into the world and shown our ability in some ways, in *engineering*. We're recognized the world over for power generation expertise, for short take-off aircraft, for aluminum, copper, wood products.

But when it gets down to a good old salesmanship on a mass basis, we seem to get cold feet. And yet, we *can* do it. Why not apply mass marketing techniques to wheat, for example. So far, the wheat marketing board seems to consider its job well done when it dumps the wheat at the port. This is marketing?

Today, Canadian wheat has to compete with rice, with rape seed, with wheat from other lands. I'm told that our biggest wheat competitor could soon be India. We have not changed our grades or our approach for 15 years.

Wheat needs to be sold. Many nations need to be convinced it's a nutritious food. Machinery for milling wheat should be sold as part of the total package. And recipes for baking bread, cakes and pasting things together. There are parts of the world where Canadian wheat may have to be merchandised like Sunkist Oranges, like Chiquita Bananas.

Canadian pulp and paper products have a long way to go. The Canadian government should, *right now be encouraging literacy everywhere*. Education is a key to economic improvement. And, where people read, paper is vital. In education today, the race is between paper and the transistor.

One thing we've got plenty of is forest products. If we want to thrive in the global supermarket, we must make the most of our resources. I know we can make cloth and dresses and, yes, bikinies of paper. (I keep waiting for one to melt.) Surely the world has its arms wide open for cheaper clothing. I know we can make freight car doors and acoustic ceilings from Canadian pulp.

But where are our inventors? Twenty-five years ago I saw plastic impregnated corrugated board proposed for radio cabinets. Why not paper-based furniture, car bodies, housing exteriors, road surfaces, roofing, insulation for northern super-cities, paper canoes, disposable fishing huts, paper dishes that are really *pleasant* to eat off, yet can be chewed up in the garbage disposal unit. And some kind of copy paper that doesn't make your hair stand on end when you write on it. There must be *thousands* of ideas for paper and other forest products that only need the light of genius to develop them.

We have another natural resource that won't burn up, won't wear out and can be used again and again. That's our vast expanse of forests, lakes, feeding grounds, our scenery, our mountains, our seacoasts. Research tells me that people travel to see natural phenomena, most of all. Especially Europeans. Do we sell Canada hard enough as a place to visit, in Germany, in France, in Holland, in Australia? The second most important reason people give for travelling is to meet new people.

We have a good reputation as a people around the world.

But we'll have to work to keep it. We have crummy tourist facilities. We have some Canadians who act rudely to Americans, to Europeans. Perhaps we have to mount a high powered campaign *within* Canada to encourage Canadians to be themselves, to be polite, to charge fairly and to learn how to cook decently. Americans alone bring one billion dollars to Canada. Surely, for $50.00 a piece, we can be nice.

In this day of the jumbo jet, it's time to develop more package tours to this amazing country of ours. We must hang on to this resource at least. Do you know that right now, the boat cruises on the St. Lawrence are run by Bulgarians? Do you know that hardly *any* boat cruises include Canada, the beautiful St. Lawrence or the glorious B.C. coast, in their itinerary? And how many Europeans would go out of their minds at the pickerel in the Lac des Milles Lacs, north of Port Arthur or the salmon off Vancouver

Island. We can sell, Space, Peace. Solitude. Where else in the world can you get so much clear air for so little money?

Are we going to other lands and *testing* our ideas and our products to see which will sell? Are we developing new products that use our natural resources? These are just standard marketing procedures.

I have said many times that I believe passionately in research. To me, consumer research in the advertising business is comparable to product development in other industries.

There is thoughtless talk these days of taxing advertising, talk of buying back companies that we have allowed to slip away from us when we were poor, talk of subsidies.

To me, the greatest asset a country can have is brains. When you lose your scientists, your teachers, your actors, your writers, you lose the most valuable natural resource of all.

If it were up to me to suggest where money should be put to make Canada a better country, it would be in the arts, in research and development and so on.

Industries should be given irresistible tax concessions to do product development in Canada. The purpose should be to encourage companies from other countries to move their research departments to this country; to pay engineers, inventors, innovators and designers the highest salaries in the world. Right now, it is clear that scientists like to go where the equipment is better, where they are associating with other brains in their field. Why not encourage industry – all industry – to make *Canada* its proving ground? Even in marketing and advertising, Canada is a great place to develop ideas for use around the world, at a reasonable cost, with a seasoned, trained marketing people.

Instead of sophomoric threats against advertising to dampen the vigor of our salesmanship how about positive *encouragement* to sharpen our business acumen.

I would like to see Canada become the magnetic pole for brain-power. We are growing in reputation as a good democratic place to live in spite of the news of the past few weeks. Let's use this appeal we may have for the intelligent to make Canada a gathering place for the outstanding minds of the generation.

Summary:

1. There are some Canadians left. Harold Ekinswaller is one of them. I am another.
2. Canada is a good place to learn marketing *in perspective*. The United States spends *ten times* more on advertising than any of the rest of us. Canada is nicely in the middle, watching American methods, but adapting to more worldly proportions. We can think small.
3. Canadians *can do it*. We've proved ourselves as salesmen the world over. Today, moccasins, toilet paper, mortgage money. Tomorrow, the Global Supermarket.
4. We mustn't rest. We must compete with international corporations in their own style. We must *invent* more Canadian products for the Global Supermarket.
5. We should preserve our most valuable natural resource, brains. By subsidy, if necessary. The brain drain may have stopped, *but we need a brain gain to win*. Otherwise we will be left with a country full of also rans.
6. Are Canadians simply Americans on snowshoes? No, I don't quite think so. I believe that Canadians are simply rather unconfident, democracy-seeking, French-English speaking, usually polite, parsimonious, but newly ambitious, *members of the human race* – on snowshoes. And I hope we can keep it that way.

The gratitude of the Club was expressed by Mr. John Irwin.

OCTOBER 29, 1970

How to Cope with Stress

AN ADDRESS BY Prof. Hans Selye, C.C.,
INTERNATIONAL MEDICAL SCIENTIST

Ladies Day

CHAIRMAN The President,
Harold V. Cranfield

GRACE Canon Clinton D. Cross, B.A.

DR. CRANFIELD:

Senator Sullivan, Canon Cross, Ladies and Gentlemen, we are to have the privilege of listening to a man who by his powers of observation, the application of his intellect to these observed phenomena and the exercise of sound judgment in their interpretation has brought a new dimension to human life.

Two years ago last April, our speaker had the privilege of being a witness before the Senate of Canada with a special committee on Science Policy. In order that he would be properly presented an eight page brochure was prepared of his curriculum vitae. It listed his training and background and it reveals that he has earned his doctorate degree in three different spheres of accomplishment; one in medicine, one in philosophy and one in science. He has been awarded 14 honorary degrees from universities in eleven different countries. There are several pages taken up with the simple listing of his medals and awards alone.

Let me illustrate his stature by a particular reference: Many centuries ago a man coveted the right to be an honorary citizen of Rome. He that I am about to present to you did one better, for he is an honorary citizen of Veronna! In this I suppose he joins with Shakespeare's Two Gentlemen of an earlier time. On the other side of the world he is a citizen of the State of Texas and holds the Golden Key to a city on each shore of the United States of America.

His contributions to technical journals are vast, for he is author to 1,300 printed articles and he has found time to write 26 books. Many of these have been translated into Italian, Spanish, French, German, Hungarian, Polish, Portuguese, Swedish, Russian and Japanese. He is indeed a citizen of the world.

That, of course, is but natural. He was born in Vienna on January 26th 1907. Since I, too, was born in 1907 it is tempting to propose that it may well have been a vintage year. I note though that I got in a rut – for my degree in medicine was completely achieved at the University of Toronto. My colleague, however, having taken his basic Arts qualification in Hungary, began medicine in Czechoslovakia – went to France for his second year, Rome for his third and back to Prague in Czechoslovakia to finish. For a moment it looked to me as though he were asked to leave but his welcome back to full circle was real enough for he was awarded his M.D. in 1929 undoubtedly at the top of his class.

I cannot resist giving you the full title of the book that each of you may read to your advantage. It is called, "The Stress of Life" and you will find it to be printed in the language of your choice, any one of eight from English to French through Japanese to Swedish. It is little wonder that he is a Companion of the Order of Canada which you recognize as the highest decoration awarded by this, his country, yours and mine. I have the honour ladies and gentlemen to present Hans Selye, C.C., M.D., PH.D., D.SC., Professor and Director of Experimental Medicine and Surgery at the University of Montreal, and his subject is: "How to Cope with Stress".

PROF. SELYE:

I am very grateful to you for this occasion to address your Club. I can think of no better forum for the discussion of the general implications of my work on stress.

It is only fair to emphasize at the outset that I have no specialized training to appraise or combat any of the ills of our time, but I did spend some 35 years of my life exploring the effects of stress upon the body, including its mental activities. And no matter what causes our stress – be it starvation, war, the collapse of the Stock Exchange or even the mere fear of any of these dangers – what concerns us is its effect upon the bodies and minds of people. It may not be out of order, therefore, for a laboratory man to use an opportunity like this to reflect on the relationship between the medical and sociological consequences of stress. To do so, I should like to outline the main facts that we have learned about biologic stress and its implications in everyday life. Let us start with a few definitions:

What Is Biologic Stress?

I have defined stress as "the nonspecific response of the body to any demand made upon it." Today, stress is so defined in virtually every textbook of medicine or psychology, but at first it was quite difficult to convince people that the body can respond in the same manner to things as different as a painful burn or the news that you won the jackpot of the Quebec lottery. It was not easy to accept that every type of normal action or the fight against any kind of disease could provoke an identical stereotyped response in our body. And yet, this is the case. Of course, we do reply to each stimulus in a specific manner also – to cold with shivering, to heat with sweating, to infection with immune reactions – but superimposed upon each of these responses that are adjusted to the particular needs created by a particular situation, there is always the "biologic stress-reaction." This is also known as the "general adaptation syndrome," since it represents a response that helps adaptation in general, that is, adaptation to anything.

In this chat we need not go into technicalities; a few of the highlights will suffice:

In situations of considerable stress, our adrenal glands produce adrenaline and a group of hormones that I have called "corticoids"; of these, cortisone is perhaps the best known. All the stress reactions are essentially defensive but, if they are insufficient, excessive or otherwise faulty, they themselves may cause diseases. We call these "diseases of adaptation," because they are caused much more by deranged adaptive reactions of our body than by the direct damaging effects of disease-producing agents. If a blow breaks a bone, if a knife penetrates the skin, the resulting damage is due to the injurious agent itself. However, many diseases have no identifiable single cause and can be produced by anything to which our stress mechanism responds inappropriately. Among the best-known diseases of adaptation are: gastrointestinal ulcers, high blood pressure, cardiac accidents, allergies, and many types of mental derangements.

An example will explain in principle how diseases can be produced indirectly, by our own inappropriate adaptive reactions. If you meet a drunk who showers you with insults, nothing will happen if you go past and ignore him. But, if you respond, you may start a fight and get hurt, not only by the drunk but also by your own emotional reactions which increase your blood pressure, accelerate your pulse and change the entire biochemistry of your body in a dangerous manner. As we have seen, any kind of activity sets our stress mechanism in motion; hence, not only anger but any kind of activity can cause disease in predisposed individuals. It will largely depend upon accidental factors – such as genetic predisposition or previous disease in one or the other organ – whether the heart, kidney, gastrointestinal tract, or brain will suffer most. In the body, as in a chain, the weakest link breaks down under the stress of tension, although all parts are equally exposed to it.

Stress Is Not Always Noxious

Does all this mean that we should avoid stress whenever possible? Certainly not. Stress is the spice of life. Being associated with all types of activity we could avoid it only by never doing anything. Who would enjoy a life of "no runs, no hits, no errors"? Besides, certain types of activities have a curative effect and actually help to keep the stress mechanism in good shape.

All of you know that occupational therapy is one of the most efficient ways of dealing with certain mental diseases, and that exercise of your muscles keeps you fit. It all depends on the type of work you do and the way you take it.

Work is a basic biologic need of man. The question is not whether we should or should not work, but what kind of work suits us best. In order to function normally, man needs work as he needs air, food, sleep, social contacts or sex. Few people would enthusiastically welcome the discovery of test-tube babies making sex superfluous; let us not look forward with eager anticipation to the days when automation will make everything redundant.

The Western world is being wrecked right now by the unsatiable demand for less work and more pay. But why should we work so hard to avoid work? The French philosopher, Henri Bergson, justly pointed out that it would be more appropriate to call our species "Homo faber" (the making man) than "Homo sapiens" (the knowing man), for the characteristic feature of man is not his wisdom but his constant urge to work on improving his environment and himself.

The most important aim of man is not to work as little as possible while earning enough to acquire the security that he will never have to work much harder. For the full enjoyment of leisure, you have to be tired first, as for the full enjoyment of food the best cook is hunger.

Only the physically or mentally handicapped really prefer not to work. Short hours are a boon only for the underprivileged who are not good at anything and do not like to do anything in particular. These – not those who earn little – are the true paupers of mankind.

Those who could allow themselves the luxury of permanent idleness are rarely idle; they do not want to retire just because they "can afford it," but they do not consider their work as an obligation, a duty, but rather as a privilege, a fascinating play which gives them enormous satisfaction.

Stress and Aging

Speaking about the leisure hours of retirement, let me remind you that there exists a close relationship between stress and aging. Stress, as I have said, is the nonspecific response to any kind of activity at any one time; aging is the sum of all the stresses to which the body has been exposed during a lifetime.

A newborn baby, while crying and struggling, is under considerable stress but shows no sign of aging, whereas a man of 90, quietly sleeping in his bed, is under no stress but shows all the signs of aging.

Each period of stress, especially if it results from frustrating, unsuccessful struggles, leaves some irreversible chemical scars which accumulate to constitute the signs of tissue aging. But successful activity, no matter how intense, leaves virtually no such scars. On the contrary, it provides you with the exhilarating feeling of youthful strength, even at a very advanced age. The most eminent among the hard workers in almost any field became very old. Think of Leonardo da Vinci, Pablo Casals, Winston Churchill, Henry Ford, Charles de Gaulle, Bertrand Russell, Konrad Adenauer, Picasso, Matisse, Toscanini and – in my own profession of medical research – the Nobel Prize winners Szent-Györgyi, Otto Loewi, Waksman, Rous, Warburg. All these men continued to be successful – and, what is more important, on the whole happy – well into their seventies, eighties or even nineties. Of course, none of these people ever "worked" in the sense of the dictionary definition ("work is what you don't like but have to do"); despite their many years of intense activity, they lived a life of leisure by doing what they liked to do.

It is true that few people belong to his category of the intellectual elite; admittedly, their success in meeting the challenge of stress cannot serve as a basis for a national code of behaviour. But I believe that this way of life is applicable to almost any productive occupation. A carpenter can have the satisfaction of success and fulfillment by looking at a well-made table; a tailor, a shoemaker, can get fun and the feeling of fulfillment from making a suit or a pair of shoes that his customers admire. Even a hunting dog is proud to bring in his quarry unscathed; just look at his face and you will see that his work has made him happy. Only the stress of frustration, of lack of purpose, can spoil the satisfaction of performance. The art is to find the job that you like best and that people honour. Man must have recognition, he cannot tolerate constant censure, for that is what makes work frustrating and stressful. With the progress of science and automation, most of the tedious, unpleasant activities will no longer be necessary, and more people will have to worry about what to do with their leisure time. Soon we will be able to cut down on obligatory working hours to a point where work deprivation will become our major problem. If man has no more incentive to work out his role as "Homo faber", he is likely to find destructive, revolutionary outlets to relieve his basic need for self-asserting activity.

On the endless voyages of the old sailing ships, when there was often nothing to do for weeks, the sailors had to be kept busy washing the deck or painting the boat just to avoid mutiny for the relief of boredom. Let us start preparing right now not only to fight pollution or the population explosion, but also to combat boredom. The lack of work threatens to become extremely dangerous. Let us begin a full-scale effort to teach "play-professions" – the arts, philosophy, craftsmanships, science – to the masses at large; there is no limit to how much man can work on the perfection of his own self.

Perhaps this outline could serve as a basis for the planning of a better, healthier philosophy than that which guides our society now. I think we should adapt our moral code and value-judgements, to fit the exigencies of the times to come. But I do not feel competent to preach what I have learned. Besides, it would be contrary to my basic predilection for professionalism, for sticking to what we can do best. I have been trained to do medical research. Laboratory work on stress can furnish a solid scientific basis for social improvements. But what is needed now are sociologists and psychologists who could prepare the territory by re-orienting the motivation of the masses. Then we shall need the media for driving the lesson home; and after that, we shall require practical politicians who can translate the fruits of medical research and psychological re-orientation into the terms of a national or even international policy and code of behaviour. It would be a long job far beyond my ken. Meanwhile it is a dream, but you must first be able to dream before you could even try to make your dream come true. The conquest of smallpox, the discovery of penicillin, a trip to the moon were all but dreams before they became realities. Let's be optimists; there are talented people.

Reaching for the Moon

No Society can be entirely just; ours is certainly not. I won't try to offer any solution, but I think it may be worthwhile to call your attention to the kind of grotesque social injustice that can arise right here in our Country, simply as a consequence of the innate disinclination of creative medical scientists to participate in political pressure movements. I use this particular example merely because I happen to know something about it, but the same could be said about many other creative activities.

As you have read in the newspapers in connection with the debates about Medicare, a general practitioner in Canada can easily make $50,000 per year and, to practise, it suffices to have an M.D. and a licence. The vast majority of medical students succeed in obtaining these documents. On the other hand, the Quebec Ministry of Education offers $3,000, the Quebec Medical Research Council $5,600 and the Medical Research of Canada $4,800 per annum to the elite of young physicians who wish to practise the much more complex art of medical research. Even these incomes are difficult to come by. Among the carefully selected M.D.s of my Institute, five submitted applications for such posts to the Medical Research Council of Quebec last year, because they were so highly motivated that they wanted to do research even under these conditions. All five have been refused for lack of funds. Even an assistant professor at our Institute (who usually must have both M.D. and PH.D. degrees) is offered an initial salary of $14,000 and a lecturer (chargé d'enseignement) $8,900 per annum. Why?

Competent crane operators earn $16,640 for a 40-hour week (*The Montreal Star*, Aug. 20, 1970). They deserve every cent of it, but my boys must pay for a much longer education before they become competent at their job, and then they have to put in much longer hours to stay competent.

It is perfectly justified that the general practitioners should be properly paid for the immensely useful service they render. Nor do I blame any of the above-mentioned Institutions for the pitiful support they offer. They are dependent upon the Government which, in turn, is likewise not to blame because, under our conditions of value judgements, that is all it can do. I am raising the point only to ask you: who is to blame? To me, it seems neither just nor in the national interest to discourage medical research by such restrictive financial measures.

I think the public should know about these things, because in the final analysis, it is footing the bill for all salaries and I cannot believe that, if people knew about it, they would approve these guide lines for the distribution of funds.

Before the moon shot, I had spent a few most inspiring days with Wernher von Braun on the Grand Bahama island. Among other things we spoke about the relative distribution of national funds for space travel and for medical research respectively. When I complained about the comparatively meagre support for medical research, he looked at me with dreamy eyes which I shall never forget, and said: "You do not have the Moon to offer."

But, don't we? What could be of greater concern to man than the agony of excruciating pain and the humiliation of impending, certain death which wipes out all other motives? There may be something worth having on the Moon. Undoubtedly, the first nation to reach another planet has earned much admiration and prestige, and yet, there is no reason to doubt that, with an equal investment of money and (more important) talent, a systematic attack on cancer, heart disease, or premature aging would be less likely to succeed than our dreams of future interplanetary travel. Even the grandeur of conquering the Universe, or the fear that war may break out, or that our world may become overpopulated, seem to pale at the bedside of a patient who will die because we were remiss in our efforts to learn more about disease.

Even if we are badly paid, we do have our own "moons" to conquer. I think society could and should support medical research more generously than it does. It is hardly in the interest of national health that those entrusted with the direction of medical research must, under our system, spend such a large part of their time begging for the salaries of their colleagues and the expenses of their materials.

How to Enjoy the Stress of Life

Let us not finish this lecture on a tone of complaint and dissatisfaction. As I have said before: more than anything, man needs approval and self-esteem; more than anything, he fears censure and contempt with the resulting sense of frustration which is the worst kind of stress. Scientists enjoy, no less than other people, an approving pat on the back and, according to current opinion polls, they are, on the whole, the most highly honoured class of the population.

Their work requires a great deal of dedication. Like other people in creative positions who strive for excellence, scientists have little time to spend with their families. Their wives – like those of most people dedicated to any cause – are tempted to complain about husbands who care "only" for their beloved lab, plant, or office. "Not only." Besides, those dedicated to creative accomplishments can always answer with Richard Lovelace, the Seventeenth Century poet: "I could not love Thee Dear, so much, loved I not honour more." For even love, to be valuable, must be offered by someone who is someone.

I have told you about the dangers and the benefits of stress, about the importance of finding the proper proportions between work and leisure and, most important, about trying to make them one by selecting such work that, to you, is play. We must find the right balance between the excessive or abnormal use of our body which "overheats" its motor, and the lack of use that makes it rust. To function well, you must first warm up, but not to the point of exhaustion. I do no preach a life of leisure; we should provide an outlet to our talents, but at all cost we must avoid frustration by not attempting that which is beyond us.

In my book "The Stress of Life" I tried to sum it all up in a jingle which I should like to read you, first in French, since it sounds better in the language in which it was composed:

> "Lutte farouchement pour ce que tu crois un noble
> mais abandonne tout effort quand tu te sais battu."

In English, it reads:

> "Fight for the highest attainable aim,
> But do not put up resistance in vain."

The gratitude of the Club was expressed by Senator Joseph A. Sullivan, M.B., F.R.C.S.(C.).

NOVEMBER 5, 1970

Canada's Market in Britain–Problems & Possibilities

AN ADDRESS BY Allan A. Rowan-Legg,
AGENT GENERAL FOR ONTARIO IN THE UNITED KINGDOM

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. William D. F. Morris

DR. CRANFIELD:

A hundred and one years ago on April 13, 1869, the Government of Ontario created a post in Britain to which our speaker of to-day was appointed on January 1, 1968 and which position he still holds. The office had gone through many transitions in the interval, for its function was originally the recruitment of farm hands for Ontario. Its first commissioner was Thomas White Jr. and he had no office from which to carry out this work. To-day there is this splendid edifice called "Ontario House". As the province of Ontario became more and more involved in business and industry the emphasis has shifted from rural to urban interests so that by 1968 it was necessary to establish the Ontario Department of Trade and Development separate from other ministries. At that time the present Agent

General was especially chosen to represent it in the United Kingdom.

He followed Brig. Gen. James S. P. Armstrong who had gone overseas in 1939 with the famous 48th Highlanders, 1st Canadian Division. He had been withdrawn from active service and appointed by Premier George A. Drew as Ontario's first post-war Agent General. (Colonel, the Honourable George A. Drew is known to you all as the most senior past president of the Empire Club.) Brig. Gen. Armstrong lived at Ontario House while it was under reconstruction and since bombs were still falling in London in 1944 he acted as fire watcher and night caretaker.

I cannot conceive of the present holder of this post putting out the cat and sweeping up after the day's work, though I judge he would be up to it. Over the past century this important office has served to strengthen the economy of Ontario and to give visitors from Canada a warm welcome and a feeling of real friendliness while in Britain.

Born on May 19, 1912 in Ottawa, our speaker was educated in the public schools of Toronto and the now famous Hillcrest School of Hamilton. He was early drawn into the Oil and Gas industry. He served in an executive capacity with Imperial Oil before World War II and returned to that company after hostilities had ceased. In the interval he was at sea with the Royal Canadian Navy retiring with the rank of Lieutenant Commander. Any Sunday afternoon at 4 o'clock you may find his boat riding at anchor on the Thames or tied up to the bank, for he is known to be an ardent boater and would at that hour be stopped for tea. The planners of Canada's World Exhibition (Expo 67) found him to be the most eligible appointee and he was made Director for the Province of Ontario. He served Ontario so well in this that it was only a logical step that he should represent Ontario in Britain as he does to-day. His charm and warmth of manner have proved this a wise choice.

In May 1969 I was his guest one morning at coffee in

Ontario House and I determined, then, to try to persuade him to make this special journey to Ontario (and fittingly to the Ontario Room, as it turned out), to talk to the Empire Club. To thousands of Britons and to equal numbers of visiting Canadians in London he is Mr. Ontario. Since Britain's application to join the European Common Market is being negotiated right now in Brussels no one could be in a better position to present the topic he has chosen. "Canada's Market in Britain – Problems and Possibilities." Our speaker is Mr. Allan A. Rowan-Legg, Agent General for Ontario in the United Kingdom. Mr. Rowan-Legg.

MR. ROWAN-LEGG:

Let me start by making one or two obvious but necessary statements about the implications of what I have to say.

First I hope you *will* recognize a distinct *bias* towards Ontario. As official representative for the province in the United Kingdom and Europe, it could hardly be otherwise! On top of this, as Ontario provides about 37 per cent of Canada's exports to Britain, we have a vital interest in trade matters.

In fact, I might almost paraphrase a former president of General Motors and say . . . "What's good for Ontario exports is good for Canada"!

And secondly, I would prefer my remarks to be taken as an individual expression of opinion – rather than official policy. The past three years have given me an opportunity to view the British and European business scene from a "ringside seat" as it were and I wish to speak only as a commentator.

* * *

Now, to facts:

Though Ontario exports of manufactured products to the United Kingdom continue to grow – Britain's share of Canada's total exports have fallen from 17 per cent in 1960 to only 7 per cent last year. *But the U.K. remains our country's largest single overseas market.*

Reasons for this large drop in exports to Britain are not hard to find.

Among the important ones are: British government policies designed to strengthen sterling; greater competition from other countries in semi-manufactured goods, caused by the Kennedy Round tariff reductions. (Canadian preference advantage here has dropped from 15 to about 7 per cent and the U.S. and Japan have become important competitors.)

We can add to this a further erosion of our tariff advantage through the European Free Trade Agreement: An example is that on certain pulp and paper products, Canada now has to pay a 5 per cent tariff in the British market while Sweden – one of the E.F.T.A. partners – pays nothing.

In agriculture, Britain has a declared import replacement policy on certain products, a restraint arrangement on cheese imports and the world wheat surplus has affected our sales in Britain (though this may soon change). In certain commodities – apples and dairy goods – the European countries have provided almost cut-throat competition.

Many countries seem to have *discovered* the United Kingdom as a potential market, and – particularly for those in Europe – ease of access and lower shipping costs compared to our own have become important factors.

* * *

As I said earlier, Ontario supplies about 37 per cent of Canada's total exports to the U.K. Last year they amounted to nearly $374 million.

Manufactured products exported from the province to Britain at $53 million were nearly 15 per cent higher than in 1968.

As basic materials, like woodpulp, minerals, lumber and foodstuffs form over 80 per cent of Canada's total exports to Britain, I am glad to report this healthy rise in Ontario manufactured items; because it is in this field where we need to make greater efforts in stimulating our exports not only to Britain but in other overseas countries.

I shall have more to say in a moment about Ontario exports and our efforts to assist sales through Ontario House in London.

* * *

But no discussion of our trade problems and prospects in the British market can leave out the European Economic Community.

Negotiations are now taking place for Britain's entry. From my "ringside seat" there is a distinct separation of opinion among the British business community for and against joining. As you know, this is the third attempt. Many industrialists, and some politicians are discussing the subject in terms of "*when*" Britain joins, whereas it was always "*if*" before this year.

On the other hand, a study that gave guidelines on how much it would cost Britain to join – especially in terms of her balance of payments – gave many people a shock when it was published. It is certain that the economic argument in favour of joining is now less convincing to British public opinion.

Opinion even from U.S. sources, which has so far been favourable to Britain's entry, is showing a shift. During a recent visit to Britain, Professor Milton Freedman, one of America's best-known and most influential economists said publicly (and I quote) . . . "I cannot see any economic advantage to Britain in joining the Common Market." "I believe," he said, "it is much more desirable to move towards a freer world . . . (for Britain) . . . to lower her trade barriers with the rest of the world as a whole instead of joining what is a restrictive group." He went on to say that he did not believe the Common Market would be successful in the long run.

Both the main British political parties have made appropriate noises about the "right terms for entry", though, of course, some see this as helping to establish a strong bargaining position while talks proceed.

Obviously, until terms are known and a decision on British entry made, it is impossible to make an accurate assessment of the affect on Canadian exports to the U.K.

But there is little doubt that if Britain does join, our trade preferences will disappear and overall, about half of all Canada's export goods to the U.K. would be adversely affected. Competitively, agricultural products and manufactured items would be the worst hit – if the prevailing terms for entry are accepted by Britain.

The fact that Britain's share of Canadian exports has declined so much in recent years, makes this a much less serious problem than it would have been, say 10 years ago – as the Economic Council of Canada rightly pointed out in its latest report.

Nonetheless, it is certainly in our best interests to retain and increase our share of the U.K. market. And there is no doubt in my mind that we can do so, given further progress in trade liberalisation under the General Agreement on Tariffs and Trade (commonly known as GATT). And, of course, making use of the advantages we should *still possess* even with Britain a full member of the Common market.

For example, in manufactured goods, the U.S. is now one of our chief competitors in the U.K. At the moment, we have three advantages over American manufacturers: lower wage rates, our dollar exchange rate and a tariff preference of around 7 per cent. *If Britain joins the Six, we should lose only the latter.*

Experience has shown that once a Canadian company is established in the British market, it will move hell and high water to stay there. The British import deposit scheme was a good illustration. We found that Ontario companies – by increasing productivity, adjusting prices, or arranging local assembly of products – were not only able to stay in the market but increase their sales.

With this in mind, our manufacturers of industrial, food, and consumer products should *move now* to get established in the market before 1973 – the earliest date for British entry. Even if her application is turned down or she decided not to join after all, Canadian companies would not lose out.

But whatever the outcome, in the long run, trade policies in terms of the GATT tariff agreements will be of much importance to Canada's export trade, both in the U.K. and elsewhere.

* * *

As the Common Market stands today, it has protectionist policies which are not in the interests of the greater freedom in world trade, sought by Canada.

Agriculture is a particular case. Even within the Community, the Common Agricultural Policy has been called "a disaster".

Its effect is to protect a backward system of agricultural production from free competition. Food price levels are almost double those on world markets. Costs of the policy to the Six are high: in the current year member countries will have to pay an estimated $3 billion – nearly 95 per cent of the Common Market's total internal budget. If Britain joins, a large share of these costs would have to be borne by her under the present arrangements.

All this has meant increased production, and the Community's subsidies on its own agricultural exports, especially butter and cereals, have affected many countries, including, of course, Canada. Our food exports to the Community have dropped by about 25 per cent in the five years since inception of the Market's agricultural policy, and their subsidised food products have cut into our sales in other world markets.

There is a danger that present Common Market trade attitudes will bring about a drift towards protectionist policies in the U.S. and elsewhere – clearly a situation Canada would not welcome. I am thinking also of the E.E.C. Value

Added Tax – which many say gives a hidden export subsidy for goods produced in the Community – and extension of preferential trading agreements on certain commodities to non-member countries. This latter fact is directly contrary to the principle of free trade advocated by GATT.

* * *

We have to remember that a Common Market, with Britain as a member, would account for one-half of Canada's overseas sales. Our total exports to the Community have nearly doubled in the last ten years to $851-million, with Ontario's share at about $149-million.

So far this year, the trend is still upwards. In the first six months, Canada sold goods worth $543-million to E.E.C. countries, compared with $393-million last year.

Technologically, Britain is the strongest country in Europe, which is why her membership holds many attractions for the six. And it is in this field that Canada could usefully exploit the situation. Ontario has many advanced and high-technology industrial companies – communications, medical, optical, and laboratory measuring devices – to mention just a few, capable of increasing exports to Europe.

A further point is that on manufactured products the Six negotiate as a group through the GATT agreements. By 1972 the common external tariff of the Six will be reduced to 7 per cent. So this is one field where increased efforts on our part will show a just reward.

The U.S.A. – by the way – has already recognized this feature of the European market. In recent years our neighbour to the south has enormously increased its investment in selected European countries – largely for establishing computer and other technology-based industries.

No country involved in international trade can afford to ignore the power of the European trading block. With a population approaching 200-millions and a gross national product of $530-billions, it has come to rival the U.S. in size and buying power. The E.E.C. represents 19 per cent of all world imports and demand is still rising. *It is the fastest-growing economic grouping in the world.*

Larger world markets mean that industries in Canada will be able to employ the economies of scale production to a much greater extent, thereby improving our competitive position. From what I see, we shall certainly need to.

This year sees the end of a transition period among member countries that began when the Community came into being twelve years ago.

The E.E.C. is now an independent economic unit. It has survived the problems of development and has come to exercise a force that cannot be taken lightly by countries involved in international trade.

This is fully recognized by the Federal Government who have been making efforts – as Ontario has already done – to adapt its trading development policies to meet the new conditions.

Trade offices overseas are being re-organized with the intention of broadening coverage throughout the world. Specialist staff is being increased to help speed the flow of Canada's exports in many countries. I believe this is a policy that deserves support.

* * *

I want now to mention something of the efforts of my province in trade development.

You will all know of the Sales Mission Programme carried out by the Ontario Department of Trade & Development. Since 1962 more than 160 missions have travelled to over 66 countries throughout the world and brought back orders estimated at over $250-million. Some 35 of these have visited the United Kingdom and booked orders there worth over $75-million.

Besides a staff of highly experienced trade counsellors at Ontario House in London, our province has established trade offices in Stockholm, Frankfurt, Brussels, Vienna and

Milan; at cities in the U.S. and at Tokyo – a total of 14 offices around the world to help bring new industry, technology and investment to the province and to promote export sales.

We get involved in trade exhibitions, provide business leads, recommend agents, participate in industrial seminars, economic workshop functions, and organize business opportunity missions where teams of counsellors visit particular cities to acquaint businessmen with the advantages of locating a branch plant or starting a joint venture in Ontario.

* * *

But trade development is only *part* of our work at Ontario House. We are headquarters in Europe for the Ontario Department of Agriculture. And with Ontario food sales in the United Kingdom currently running at about $100-million, there is a similar programme for the province's food producers to establish, develop and increase exports. A special Display Centre at Ontario House is used for demonstration and sampling of our foods to British consumer organizations and groups.

We also maintain a selective immigration service in London to match up the skills of immigrants to the needs of Ontario companies and institutions.

Last year a representative of the Ontario Department of Tourism and Information joined our Staff to oversee the province's rapidly expanding tourist market in Britain and most other European countries.

Along with economic growth has come an increased demand for long-distance pleasure travel. This is growing at something like 10 per cent each year and will grow further as more Jumbo jets come into service. Our man is there to help Ontario retain and increase its share of the tourist market, an important fact to the province, especially when we consider that of all money spent in Ontario each year by overseas visitors about 70 per cent or $40-million comes from Western European tourists.

* * *

Then we have our press and public relations department, which provides a valuable service for Ontario companies and individuals by organizing press conferences, demonstrations, window displays; writing articles and news releases on product items of every sort, besides operating an information service for British and European news media at exhibitions and business functions.

* * *

Finally, there is our service for visitors from Ontario – businessmen, students, farmers, politicians – people from all walks of life – can, and *do* use Ontario House facilities – conveniently located close to Piccadilly Circus – to make their stay in Britain more enjoyable and profitable. We have full information on events in London and Britain, and our staff tell me they're usually able to find an answer to any question they've been asked – and believe me, we get some Lulu's.

* * *

I wonder how many people realize that Ontario has been represented in Britain for over 100 years? In October 1969, I had the pleasure of welcoming Her Majesty The Queen to Ontario House when she unveiled a plaque commemorating this fact before a distinguished gathering. Part of our celebrations included a luncheon in London's historic Guildhall.

I hope what I have just said will dispel any illusion as to what and where Ontario House is and our purpose in being there.

When I return home, so often I am asked by friends – is Ontario House a department of Canada house? You might be interested to know that the Government of Ontario established representation in London, England, before Ottawa or any of the other Provinces.

To end, I should like to observe that what I have said today about Anglo-Canadian trade poses more problems than it answers. I think this is inevitable within a world trading situation where rapid change is accepted as normal.

To sum up – Canada, and Ontario, must learn to adapt quickly to changing trade patterns. World growth in trade still continues at a high rate and we must be prepared to go and get our share of this.

* * *

As in life, a person either makes events work for him or gets pushed by them to wherever they lead. As an individual I know which choice appeals to me most.

I hope our country will continue to be in the vanguard of those who seek progress towards a liberal business outlook, both from motives of self-interest and for the larger prosperity of all nations.

Thank you.

The gratitude of the Club was expressed by Mr. Arthur R. T. Chetwynd.

NOVEMBER 12, 1970

Apollo Communications

AN ADDRESS BY Arlon J. Svien,
VICE-PRESIDENT, TELECOMMUNICATIONS SYSTEMS ENGINEERING, COLLINS RADIO COMPANY

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. George Young

DR. CRANFIELD:

In the summer you met and heard Captain James Lovell, the Astronaut, tell the dramatic story of the flight of Apollo XIII and his experiences in earlier space journeys. At that time I promised you that there would be a sequel in which a space scientist would tell you some little bit about how communications' contact and control of these fantastic flights is kept. The man who is to tell us about this has spent his adult life preparing for this career and Captain James Lovell may have been glad of it when he and his companions of Apollo XIII were returned safely. Our speaker was born in North Dakota April 5th, 1920. With the exception of that occasion when his mother insists he was four days late he has been on time ever since. Prophetically his birthplace was a town called "Banner." I am sure it is more than a flag stop on the railway, indeed it must be "Banner" as the dictionary puts it, "The Flag of a king." From his age at the time of "Pearl Harbor" I would judge he went directly into the U.S. Air Force where he spent four valorous years. He came out of it to attend the University of Minnesota and here he studied electrical engineering and from that excellent university he obtained his Bachelor of Science degree in 1949. Once qualified, he went almost directly into the Collins Radio Company with whom he has remained with distinction ever since. It must give astronauts great confidence to appreciate that the persons in charge of the design, installation and operation of the systems of navigation and communication upon which they depend, have explored scientifically the atmosphere and *beyond* for several decades. They have precise knowledge of the earth's *intimate* atmosphere the Troposphere which extends upwards around us for ten miles at the equator and half that at the poles and which is delineated by the graded decrease in temperature as one ascends. Beyond this is the *ionosphere* where the Aurora Borealis is familiar to you at its upper limits as are the falling stars that burn out at the nearest edge of this electrically charged atmosphere. Knowledge of the characteristics of such space had to be known before a manned moon shot could be successful. It is somewhat more complicated than sending smoke signals to keep contact with astronauts in flight, and on the moon, as you shall hear.

The concept of using satellites for communictaion depended upon work done under our speaker's direction in 1960 in his development of antenna through careful research. Following this, our speaker held progressively more advanced positions in the Engineering Division at Dallas to his present appointment which he first held in 1966. He is currently Vice President, Telecommunications Systems Engineering of the Collins Radio Company. For the benefit of any gentlemen farmers in the audience he has a reputation as a breeder of Registered Black Angus cattle.

I give you now Arlon J. Svien, Vice-President of the

Collins Radio Company. His topic will be "Apollo Communications."

MR. SVIEN:

When the courageous Commander Armstrong made his "small step for man and giant leap for mankind" at 10:56 p.m. on July 25, 1969, it dramatically confirmed President John F. Kennedy's statement of May 1961 that the United States would place a man on the moon "before this decade is out." That commitment set in motion the greatest mobilization of men and resources ever undertaken for a peaceful project of science and exploration. The building of the hardware and associated systems required the concerted efforts of 20,000 industrial contractors, scores of university laboratories, and 400,000 people – all guided by or co-operating with the National Aeronautics and Space Administration (NASA).

Preparation of the Apollo communication system was one of those tasks.

Never before had man assembled such a vast team of personnel dedicated to a single communications requirement. The problem was indeed formidable. Not only did the communications system have to provide a means for transmitting the voice and television signals, but it also had to transmit to earth the physical status of the spacecraft and the astronauts. Through this communications link, the astronauts had at their disposal the vast earth support team and all of their analysis equipment.

According to John Noble Wilford of the New York *Times*, "Of all the vehicles and instruments developed for the moon mission, nothing quite compared in breadth and sophistication with the worldwide network of tracking antennas, (and) communications relay stations . . . that supported each Apollo flight."

The "voice-link" made it possible for the astronauts to describe the view from space, tell of their head colds and talk with their wives back on earth. It also allowed ground controllers to give verbal instructions to the crew, read out new data for the spacecraft's computer and relieve the monotony of space travel by relaying baseball scores and the morning headlines. In addition, there was coded data from the spacecraft – called telemetry. Telemetry involved transmissions by radio signals of information from onboard sensors to ground stations. This function provided Mission Control with essential data about flight conditions.

To all these communications demands was added the requirement that all transmission be carried by a single radio frequency; hence the term "Unified S-Band System." S-Band is a term used to identify the general band of radio frequencies used. Previous Mercury and Gemini earth-orbiting spacecraft used four different sets of radio and radar equipment operating on different frequencies to satisfy the above requirements.

The spacecraft and ground stations represented two widely different problems involving equipment of similar capability. Because of limited power and space aboard the lunar module, the ground station had to provide the greater part of total system sensitivity and transmission efficiency. This was accomplished with large dish-type antennas and high powered transmitters.

The radio frequencies used provided only line-of-sight communication. The spacecraft orbits the earth at a relatively low altitude, so at any instant, its horizon is limited. For example, if we scale the earth down to a ball, seven feet in diameter, the spacecraft would be orbiting only one inch above the surface.

Therefore, to keep the spacecraft in sight, the earth orbital tracking network consisted of 12 strategically located ground stations. These stations used antennas of 30 feet in diameter. Four instrumented ships and half a dozen or more instrumented aircraft were used for backup.

Because of its ideally located land masses and islands, the British Commonwealth was called upon to provide many of the sites for the tracking stations. These included sites in Grand Bahama Island, Antigua, the Ascension Island, Bermuda, and Australia.

Three stations with 85-foot diameter antennas, designed for the greater distances involved in the lunar phase of the flight, were installed at Madrid, Spain; Goldstone, California; and Canberra, Australia. These three deep-space antenna stations were situated so that, as the earth rotated, at least one always faced the moon so as to provide constant visibility to the spacecraft during the lunar phase. In addition, there were two 210-foot antennas, one at Goldstone and one in Australia, that were pressed into use. These antennas were originally installed for interplanetary missions but were modified for Apollo support. They provided the extra power needed for color television.

With the earth stations distributed throughout the world in this manner, the problem of providing communication links from the stations to the Houston Mission Control Center required one of the world's most complex communications systems. A total of nearly one-half million miles of circuit paths were necessary. Virtually every type of transmission system was employed: wire lines, oceanic cable, microwave, short wave radio, aircraft, and satellite relay. Arranging this vast network required the co-operation of many nations. Typical was the network that provided the link to Canberra, which included land lines over two-thirds of Australia, transoceanic cable to Canada via Hawaii, cable and microwave to NASA Headquarters and microwave to the Houston Mission Control Center. You may be interested to know that a cable across Canada and another cable to London were included in the complex Apollo communications network.

The equipment – from the huge deep-space antennas to the smallest microcircuit – was designed to the most exacting performance standards.

For example, the weight of the 30-foot antenna dish installed at Grand Bahama Island, and other sites, is approximately 80 tons. Yet, despite this enormous weight, these antennas can be rotated at 3 to 5 degrees per second. They also can be moved as slowly as two one-thousandths of a degree per second – a pace slower than that of an hour-hand on a clock.

The S-Band antennas can withstand winds greater than 200 miles per hour.

These antennas can pick up from space a signal as weak as minus 170 dbm – which, expressed as a fraction of a watt, would be written as a numerator of one and a denominator of one followed by 20 zeros.

The antennas had to be built and installed with the extraordinary precision required to track an object over distances and at speeds such as those involved in the lunar flight programme. The surface accuracy of the huge parabola-shaped dish, for example, cannot vary more than the approximate thickness of a paper plate.

Although each tooth in the huge bull gears, or main drive gears, transmits a force of more than 41,000 pounds, tolerances on the gears are three to five one-thousandths of an inch, or about the thickness of a postage stamp.

In designing the system that would support Apollo earth-orbit and lunar missions, it was obvious that the quality of the network would have to be advanced far beyond the capabilities of previous space communications systems.

The progress made between the early Mercury days and the Apollo flights was amazing. For example, during the seven minutes a Mercury capsule was in range of the station at Carnarvon, Australia, the system was able to transmit data summarizing about 30 or 40 onboard functions. With Apollo, the data on 500 functions can be communicated to Houston Control Center within two seconds after the information has been generated in the spacecraft.

The challenge of designing a system to meet all of these requirements seemed overwhelming, and certainly, before the advent of solid state technology, would have been impossible. Indeed, if for no other reason than the communications and electronic requirements, the mission would have been impossible a decade earlier. Only the reduced weight and power requirements of solid state (transistor) devices permitted an adequate computational and communication system aboard the spacecraft. Certainly the computer system that guided the Lunar Expeditionary Module to a safe descent was one of the more important electronic elements of the system.

How well the electronic design challenge was met can be determined by examining the actual performance of the system during the several missions and its contribution to the total success of the program.

The whole world became aware of the success of the voice and television communications from the spacecraft and the lunar surface. However, a hidden bit of information that rode silently in the same carrier frequency that conveyed the pictures and the speech was, perhaps, more important to the success of the mission. This was the information which provided a continuous and accurate position and trajectory report of the spacecraft. First, by sensing the direction of the arrival of the signal, the large 85-foot diameter antennas provided a constant angular position report of the spacecraft with respect to a point on the earth. This was achieved with an accuracy of .015 milliradian, or a maximum error of 30 miles at lunar distances. More remarkable, perhaps, was the capability of the system in measuring a second dimension – distance from the receiving station. By measuring the round-trip time of a signal from the earth station to the spacecraft and back, it was possible to determine range within approximately 15 meters, or less than 50 feet. As the spacecraft neared the moon at a distance of 238,000 miles, the round trip time for a radio signal travelling at the speed of light was approximately 2½ seconds. This distance was measured with maximum error of less than the length of the average house.

Thus, two of the three parameters necessary to the navigation of the spacecraft were measured. The third parameter, velocity, was measured by observing the change in frequency of the received signal as a result of doppler shift, the same effect that causes a locomotive whistle to change pitch as it approaches or retreats from the observer. Here the communication system performed with extreme accuracy. Measurements of velocity were made within 5 millimeters per second, or one-thousandth of a mile per hour. This information, derived from the communication signal, was constantly relayed to NASA facilities, where electronic computers continually checked the trajectory of the Apollo vehicle. When necessary, course corrections were transmitted to the astronauts. The speed and accuracy with which these calculations can be made was demonstrated during the Apollo 12 mission. As the spacecraft appeared from the far side of the moon on its lunar orbit, the earth station, through its tracking and ranging system, updated the course position at the earth station. The resulting calculations were transmitted to the spacecraft and a 4,200-foot landing position correction was entered into LEM descent computer. This resulted in an extremely precise landing, as witnessed by hundreds of millions of people around the world.

Man's greatest undertaking of the twentieth century is now history. The total effort that went into putting men on the moon is beyond measurement. From the dramatic lift-off and earth orbit . . . through translunar injection . . . the walk on the moon . . . and the triumphant return to earth, the feat was a remarkable example of the peacetime efforts of men working toward a common goal.

Certainly the communication system helped demonstrate the achievement to the entire world through the medium of television and voice transmission.

As a communicator, I can only hope that, properly directed, this worldwide communication network could foster among all peoples of the world a common bond of understanding much like the kinship that all of us felt for the astronauts during the historic voyage of Apollo 11.

Thanks of the meeting were expressed by Major Gen. George Kitching, C.B.E., D.S.O., O.ST.J., C.D.

NOVEMBER 16, 1970

The Coming Defeat of Canadian Nationalism

AN ADDRESS BY Dr. Donald C. Creighton,
HISTORIAN & AUTHOR

Joint Meeting of the Empire Club of Canada and the Canadian Club of Toronto

CHAIRMAN The President of the Canadian Club of Toronto, John M. Gray

MR. GRAY:

This is a notable occasion in the Canadian Club year not only because of our distinguished guest but because it is a joint meeting with the Empire Club. In welcoming you all I express an especially warm greeting to the members of the Empire Club and a hope that they enjoy this meeting with us.

For the past twenty-four hours I have been trying to ignore the coincidence of the arrival of winter and the rather lowering title of Donald Creighton's speech. Symbolically the air seems full of menace. It would be easy enough to brush this aside were it not for Professor Creighton's great standing in his profession. His colleagues don't always agree with him but they always listen carefully when he speaks. He speaks with the authority of learning expressed in a commanding style. Ten Canadian universities have recognized his stature by the conferring of an honorary degree on Donald Creighton. Before he can get many more we are going to have to build some more universities.

Born in Toronto, Donald Creighton was educated in Toronto schools and graduated from the University of Toronto. He took his Master's degree at Balliol College, Oxford, before returning to teach at Toronto where he has remained, and where his presence has contributed much to the University maintaining its place as our leading school of Canadian history.

Professor Creighton's long career as a teacher has produced half a dozen notable books, all of which continue to be read ten, twenty, and in the case of *The Commercial Empire of the St. Lawrence*, almost thirty years after its first publication. His biography of John A. Macdonald did more to prepare this country spiritually for our great centennial year than any P.R. campaign could have done. And it did something else: it stimulated and set a standard in the writing of Canadian biography of which Canada will be the beneficiary for as long as it lasts (though I gather from his latest book, *Canada's First Century*, that may not be saying much).

It is pleasant to report that these great accomplishments have been unmistakably recognized. Donald Creighton is one of those deservedly fortunate men who can be in no doubt that they are appreciated. His honours are too numerous to set out here but they include the Royal Society medal for historical writing, the Governor General's Award (twice), the Molson Prize, and finally the coveted Companionship of the Order of Canada. All this from the country which has been the object of his passionate concern.

Gentlemen, our distinguished guest, Donald Grant Creighton.

PROFESSOR CREIGHTON:

My title, "The Coming Defeat of Canadian Nationalism," will be regarded as a pessimistic title, and I may as well start out by trying to define the limits of its gloom. I think that the defeat of Canadian nationalism is approaching, but not yet quite inevitable; and I readily admit that it is not the worst calamity that can befall the Canadian people. There may be still more tragic fates in store for Canada, as part of a now closely interrelated world. In a few days, or perhaps even in a few hours, a nuclear war could reduce all or most of this planet to a hideous ruin; and, well within the next half-century, the unchecked advance of modern technology could exhaust the resources and wreck the environment of the richest portions of our world, including Canada. In comparison with these catastrophes, the loss of Canadian national independence may seem insignificant. Yet it is not insignificant in reality. It only seems so because we have been brought up to disparage nationality in general, and our own nationality in particular, and to deny its potentiality for good.

Our generation, and the one which preceded it, were brought up to believe that the hope of the world lay in peaceful internationalism. Now, after a trial of a quarter-century, it has become manifest that the twentieth century's second attempt to found a world order has failed almost as completely as the first. The universal state, or the universal peace imposed by a single great state, are as far away as ever; and instead, regional groupings on a continental scale, aggregations of smaller satellite states usually dominated by a super power, have emerged as the dominant fact of modern political life. These modern super-powers have, in fact, become empires; and it is their rival imperialist aims which most seriously endanger the peace of the world, just as it is their economic agencies, and in particular the so-called multi-national corporation, which form the advance guard of modern technology and threaten to deplete or destroy the dwindling riches of a finite world. It is not nationalism, but imperialism, political and economic, which carries the greatest peril to humanity. And, in the absence of a genuine and effective world order, the only power strong enough to prevent the destructive onward march of imperialism is the national state.

Canada is an almost perfect illustration of the workings of the new imperialism. She is well on the way to becoming a political, economic and cultural colony of the greatest of these modern empires, the United States. Her fate may be a portent for the future of the world. If she roused herself and took the lead in a movement of national self-assertion by the smaller states, she could not only break the monolithic front which North America now presents to the world, but she might also help to inspire other dependent nations to recover their independence from other imperial masters. It is a great role, upon which the fate of humanity may hang; but the tragic fact is that Canada may not be strong enough to play it. Canadian nationalism is weak, and – as my title suggests – it can and may be defeated. It is vulnerable because it is subjected to enormous external pressures and because it is not integral but divided. The events of the last decade in Quebec have revealed the strength of the persistent French-Canadian urge towards separation; and during the same period, the United States has steadily extended its external influence or control over every aspect of our national life. In the last year, these symptoms of national weakness became so alarmingly obvious that an earnest public debate began over that most fundamental of all Canadian questions – the prospects for Canada's survival as an independent nation. Two events, occurring in fairly rapid succession this autumn, brought this debate to its present anxious climax. The first of these was the announcement of the sale of 6.3 trillion cubic feet of natural gas to the United States; and the second was an outbreak of savage violence – kidnapping and murder – by the Front de Libération Québécois.

The sale of natural gas quickly emerged as one of the key issues in the debate. Its very magnitude – it will commit a third of our established reserves to American use – is disturbing itself; but this is not the only reason for the disquietude of the Canadians. They cannot help suspecting that this is not a solitary transaction, but that it will speedily be followed by others, and that these will be concerned, not only with natural gas, but also with oil, electric power, nuclear energy and water. It is plain now that the voracious requirements of the American military and industrial machine and the insatiable demands of an extravagant and wasteful American society have simply outstripped what the most richly endowed half continent in the world can provide. The evident aim of the American economic and military establishment is to induce the Canadian government and people to acknowledge that Canada's natural resources are, in fact, continental resources, freely available to Americans on exactly the same terms as their own domestic supplies. We have become accustomed, through constant repitition, to the sale of our industries to American corporations; but oil and gas, water and water power are not ordinary assets – things that Canadians have built or acquired themselves. They are part of the original endowment of nature, of the birthright of Canada.

The possibility that Canada will assume the role of Esau and sell its birthright for a little "red pottage" – gold, that is – is the first of the two great shocks which Canadians sustained this autumn. The second was their realization of the horrifying lengths to which the French-Canadian separatists were prepared to go in their struggle for the liberation of Quebec. The methods they have used – kidnapping, extortion, and murder – are the vicious methods which have been employed by the terrorists of South America or more recently by the Palestinians of the Middle East. But the homeless Palestinians are refugees from a country which has literally ceased to exist; and the South American terrorists are the products of wretched societies oppressed by foreign exploitation, rapacious landlordism, arbitrary government and appalling poverty. Yet somehow, the members of the F.L.Q. felt akin to these outcast and distressed peoples, and believed themselves justified in using their desperate remedies. Of course, their deeds are the work of a very small minority; but does not its very existence imply a much more widespread dissatisfaction with Confederation and a correspondingly deep division in the Canadian people?

These were the two shocking discoveries about their country and themselves that the Canadians made this autumn. On the one hand, the steady encroachment of the United States on every activity, every interest, and every asset of the Canadians has now reached the point at which our very birthright has become expendable in the service of the Americans; and, on the other, the crimes of the Montreal separatists have revealed the terrible extremes to which the disunity of Canada could be pushed. In the light of these revelations, what hope is there for Canadian nationalism?

II

The first thing we must do is to realize the strength of the forces that threaten our survival. North American continentalism, actively encouraged by Canadian governments for two generations, has now become almost irresistible. The exploitation of Canada, during the last fifty years, has been largely a continental, not a national achievement. The long association of Canadians with the people of the United States, their dependence upon American capital, their reliance upon American initiative and technology, and their gradual acceptance of American standards and values have given the Republic a huge equity in the development of the Canadian nation. The United States has had a profound influence on all aspects of our recent economic growth; it has affected our foreign and defence policies, and even, at certain deplorable moments, our domestic politics; it has permeated our newspapers, our periodicals and, as the proposed sale of the Ryerson Press shows, our publishing houses; and in radio and television it is dominant. This process of osmosis has been going on for a long time;

and, in the end, it has substantially altered the Canadian character, the Canadian outlook on life.

The division of North America in two nations is not an accident; Canada has a meaning, though Canadians have gone far towards forgetting it. From the beginning, we differed from our neighbours to the south; and our federal union of 1867 was a consciously native product, designed to express our own convictions and values, and deliberately independent of American models. The stated purposes of the Canadian Constitution were not "life, liberty, and the pursuit of happiness," as the American Declaration of Independence put it, but "peace, order, and good government"; and these understated aims fairly accurately express the character and convictions of our fathers and grandfathers. They believed in private restraint and public order; they never glorified individual freedom, initiative and enterprise in the unqualified American fashion. In their eyes, the public good meant more than the sum total of the private satisfactions of the individuals composing society; and they never denied the necessity of state action, even on a grand scale, for public welfare, national development, and national security.

These characteristic Canadian qualities and beliefs still exist, of course. They help to preserve Canada as a peaceful home for its own citizens, a haven for political refugees, and, despite what has happened in Quebec, a sanctuary for fugitives from racial conflict, and mob violence, and organized crime. This relative simplicity and tranquillity still characterize our lives; but ever since the Second World War, they have become increasingly qualified, as Canadian society grows more urbanized and more dependent on the marvels of technology. The prototype of this modern technological society and the quintessential spirit that animates it, have both been supplied by the United States. The Americans have escaped completely, or almost completely, from the mythical and religious explanations of existence which consoled the ancient and medieval world of Europe. They have come to believe, with fewer reservations than any other people on earth, that progress is the only good in life, and that progress means the liberation of man through the progressive conquest of nature by technology. The possibilities of technical invention, they assume, are infinite and infinitely desirable; and there must and will be no limitation on whatever human wants modern industry decides to create by advertising.

This spirit, which is conquering the world, has also captured the Canadians. We are afflicted with a bad case of that most virulent of all modern diseases, "growth mania" and its most prominent symptom, quantification. For us, economic indices have taken the place of divine revelation. The most important things in our national life are the percentage increase in economic growth, the balance of payments, the rate of foreign exchange and the rise or fall of the Dow-Jones averages. To achieve economic growth, we are prepared to endure all the accumulating evils of modern industrialization – the destruction of the environment and its wild life, the wastage of our natural resources, the uglification of our beautiful countryside, the fouling of our lakes, rivers and seashores with industrial wastes, the pollution of the sky above us by gases and exhausts, the submergence of our cities and towns under a hideous network of expressways, gasoline stations and parking lots, and the noise, stench and physical dangers of our appalling motor traffic. "Growth mania" has come to govern all our economic relations with the United States, and identifies us ever more closely with the Americans. In other words, we have met the enemy, and it is ourselves.

Why should we not sell our natural resources, for good prices, to the Americans, in exactly the same easy way as we sell all our other assets? It is true that the complacent old belief in the inexhaustibility of the natural riches of North America has been proven false – false at least so far as the United States is concerned; but the Canadian government and the Canadian petroleum industry have been earnestly trying to assure us that our supplies of natural gas are ample for the next few decades, or even for the next half-century, which is as far as they ever seem to think it necessary to look into the future, though fifty years is hardly more than two-thirds a normal lifetime. Besides, even if our estimates should prove over-optimistic, and our natural resources run out, won't technology come to the rescue with new sources of industrial power and domestic comfort? Why not make a quick buck out of selling our natural resources now, when, in twenty years' time, we shall probably be getting our energy from nuclear power and solar heat? Why, as Mr. Trudeau observed, should we lock ourselves up in the old-fashioned gas-and-petroleum age, when, in a decade or so, in some unknown but miraculous fashion, technology will have conjured up an earthly paradise out of practically nothing and we shall have ceased to mine the poor old earth? Above all, let us never run the risk of missing the latest technological marvel, through the mistaken course of restricting the entrance of American capital and regaining control of our industries. If we ever did that, Mr. Marchand assures us, our standard of living would fall 50%. Of course, Mr. Marchand hasn't any clear idea of what would really happen. What he does know is that a good big percentage is the one thing that will terrify us.

American continentalism has not only taken over most of our assets and threatens to appropriate what is left of our birthright; it has also created a distinct philosophy of life, a philosophy of technology and empire, which might be called the established religion of the United States. And that religion has taken over our minds.

III

Even this is not the sum of our crisis. The forces of continentalism reached their alarming peak just at the very moment when the weakness of Canadian nationalism was dramatically exposed. At a time when unity was more than ever necessary for national survival, the outbreak of terrorism in Montreal revealed the depths of the divisions which separate us. Canadians were shocked and horrified; but the Montreal crimes, though vicious, were not incredible or insane. They were the extreme – horribly extreme – but fundamentally logical consequences of a new set of beliefs about Canada in which a whole generation of Canadians had been instructed by nearly every Canadian public man and almost all Canadian newspapers.

The most important fact about Canada, people began to assert everywhere, was its cultural duality. It was assumed that ethnic and cultural values were fundamental in Canadian Confederation and that the chief goal of Canadian statesmanship ought to be the development of the Canadian constitution on the basis of "an equal partnership between the two founding races." This was a completely new idea, which formed no part in the plans of the Fathers of Confederation; and plainly it was not true in actuality as things stood in the 1960's. Outside Quebec, French Canada was a declining force; inside Quebec, though the French language remained dominant, economic control and managerial leadership lay in the hands of the English-speaking minority. Much of this state of affairs could be explained by the fact that French Canada was a small cultural island in an English-speaking continent, and that Quebec was a backward province, inhibited by unreformed institutions and antiquated laws. But these relevant considerations were all brushed aside. The real explanation of French Canada's depressed and vulnerable state, we were authoritatively informed, was not to be found in either North America or Quebec. It was the English-speaking majority of Canada and the centralized constitution it had imposed on the nation which were mainly responsible for the decline of French-Canadian culture. A whole generation of French Canadians were brought up to disparage, if not to hate, the very word Confederation. A whole generation of English Canadians were taught to believe that the plight of French Canada was a crime of which they were guilty and for which they must now make reparation in constitutional changes. Language, the one thing which divides us most, became the top priority of Canadian politics; and for nearly a decade the defence of Canada against American penetration was neglected or forgotten.

The pursuit of French Canada's satisfaction not only monopolized our attention: it also started us off down a path whose end was dangerously uncertain. Obviously, there were two main ways in which Canadian federalism could be altered in the interest of French Canada. On the one hand, an effort could be made to enlarge and improve the part played by French Canadians in the nation as a whole; or, on the other, Quebec might be accepted as the particular homeland of the French Canadian people and granted a special, separate status in Confederation. The federal government followed first one, then another, and, at times, both of these methods; but it rapidly became clear that the obstacles to the realization of a united, bilingual country, were very formidable indeed. The constitutional conference, now entering the fourth year of its prolonged and ineffectual labours, proved the enormous difficulty of even constitutional changes. And it was plain from the beginning that in the workaday world of transcontinental Canada the equal partnership of the two founding races could have only a formal and superficial existence. These hard realities were so obvious that the French-Canadian leaders, though they paid lip-service to the ideal of a bilingual, united Canada, quickly fixed their aim on a virtually independent Quebec.

Yet it was not only the French-Canadian leaders who held out the hope of separate status and quasi-independence. English-Canadian leaders, by definite action as well as vague talk, encouraged exactly the same idea. It was the Pearson government which devised the so-called "opting-out" formula, which enabled Quebec to withdraw from a number of co-operative federal-provincial programmes, separate itself as much as possible from the rest of Canada, and assume almost exclusive control over the whole economic, social and political life of its citizens. When General de Gaulle cried "Vive le Québec libre," Pearson politely rebuked him; but Pearson had said, and not merely implied, almost exactly the same thing. "It is now clear to all of us," he had asserted five years earlier, in 1962, "that French-speaking Canadians are determined to become directors of their economic and cultural destiny." Politicians trade in words; but words have meanings; and some people take these meanings very seriously. The members of the F.L.Q. have been taught by their elders that if French Canada is to preserve its identity, it must gain its freedom from Canadian Confederation. Their crime was that they reached the logical conclusion of their teaching, and acted upon it.

This, then, is the dangerous corner into which we have been driven by recent events. On the one side is the steady advance of American power; and on the other the alarming evidence of national division and weakness. What confronts us is either the break-up of our country or its continuation as a fragmented, decentralized nation, firmly integrated in the American economic and military empire, with all its assets, down to the last treasures of its birthright, freely expendable in the service of the government and people of the United States. Our only hope of deliverance from this fate lies in the reassertion of Canadian nationalism in its first and integral form. The vain and perilous pursuit of dualism, which was not an original object of Confederation and has nearly brought about its undoing, must be abandoned. One nation, not two nations in one, can alone maintain an effective defence of Canada.

The gratitude to Dr. D. C. Creighton was expressed by Dr. H. V. Cranfield, President of the Empire Club.

Mr. President and gentlemen, my words of thanks at this combined meeting would be illplaced if spoken before the Empire Club alone. In that club the newest tradition is to have a male secondary school student sit at our Head Table. Each of whom is invariably alert and intelligent but few of them have been to a barber in years and may have forgotten what a barber is!

My barber is the old-fashioned kind who, when he is finished with me, holds a mirror behind me so that in the mirror ahead I can see the reflection of the back of my neck. In this respect he is like a historian, for such a one presents new viewpoints which allows one to look ahead and judge the future from what is behind.

The profound difference in the analogy, of course, is that the history professor can clothe events in words and phrases of delight. In the book, "Canada's First Century", Dr. Creighton puts you in the presence of those persons who are making history. In one quick example: Lord Byng of Vimy was Governor General, Mackenzie King the leader of the Liberals and Arthur Meighen of the Conservatives. It is June 1926. The Governor General had the courage, on his own initiative to refuse to sign the order of dissolution of parliament and for this refusal he could have been recalled in disgrace. Had he signed it, the motion of censure of King's government would not have been effective and King would have gone down in history Scot-free. There is not much to it the way I tell it, but read it and you will sense the courage of Byng, the frustration of Meighen, the corruption of government and the vindicative fury of King, resigning like an ill-tempered child who couldn't get his own way and who by his ruthless action left the country without government.

Let us, though, come up to to-day, November 16th 1970 and realize that by this gifted man's words and his address we have been taken *back* before these times and *ahead* to what conclusions he has studiously reached and made clear to us. My philosophical barber has the complacency to say the only difference between a bad haircut and a good haircut is ten days. Canada's problems however will not correct themselves by growth. Indeed Dr. Creighton warns us that the situation is beyond correction. He is not being a prophet of doom when it concerns Canada for he has a great loyalty here though he may be misinterpreted by those who lack discernment. I am confident that he is trying to flay our conscience. Our own national leaders have, by their failure to forge a respectable Canadian Constitution, guaranteed that Continentalism will win out over Canadian Nationalism! Do we accept this as fait accompli? If our two prestigeous clubs had the fire, courage and fortitude of our Founders we would be roused by this stirring message. Will you as Canadians heed this Jonah who has warned us of this peril to our Ninevah? Will you by bold and vigorous action preserve our heritage of loyalty and freedom under the Crown? If you do, then Dr. Creighton's presence here to-day will have fulfilled its purpose!

Dr. Creighton we are in your debt. Canada is in your debt.

NOVEMBER 19, 1970

Dinner in Honour of His Excellency, The Right Honourable Roland Michener C.C., C.D., Governor General of Canada

CHAIRMAN The President,
Harold V. Cranfield

GRACE The Right Reverend George B. Snell,
Lord Bishop of Toronto.

MUSICAL PROGRAMME The 7th Toronto Regiment Band —
Royal Canadian Artillery,
Directed by Capt. Geo. MacRae.

Pipe Major John Wakefield, C.D.,
Toronto Scottish Regiment.

After the introduction of the Head Table Guests

DR. CRANFIELD:

It is traditional in the Empire Club of Canada that we recognize our Club by proposing a toast to the Club. We are fortunate that Mr. H. N. R. Jackman, our First Vice President, has consented to propose the Toast to the Empire Club of Canada, Mr. Jackman: –

MR. JACKMAN:

Mr. Chairman, Your Excellency, My Lord Bishop, Gentlemen:

Sixty-seven years ago almost to this day, a small group of public spirited citizens met in this City, and took the initial steps which lead to the formation of The Empire Club of Canada.

It was the belief of these men that weekly luncheons addressed by prominent men, speaking with authority upon the issues of the day, would lead to a more informed and enlightened community.

The name "The Empire Club of Canada" was chosen – not because our founders had any undue chauvinistic affection for monarchial or imperial forms of Government – but because they were conscious of the magnificent legacy that we in Canada, a free and independent people, had received from our mother country; our ideals of British liberty and justice; our parliamentary institutions; rule under the Common Law and those enduring principles that we so often now take for granted. Our founders believed that this legacy could be strengthened if men of reason and intelligence kept themselves continually informed upon the issues of the day.

In the intervening 67 years, our Club has heard some of the greatest men, not only in Canada but in the entire western world. If the sum total of the contribution these speakers have made to history can be measured by their impact and influence upon their fellow man, then this Club has indeed played an historic role.

Now, as we enter the decade of the 1970's, a new generation of Canadians is coming to the fore – a generation born to an age of affluence – a generation which has had no personal experience of either World War – wars though tragic in their circumstances – served twice in this century to bind our country together in great common cause. Many of our young people not only question the direction in which our society is leading them, but seriously challenge the very bases upon which our democratic decisions are based.

We live in a period of tension and unease. To a small minority of our community, tactics of confrontation, terrorism and violence have become an accepted way of effecting political and social change.

I have undoubted confidence that the idealism of the great majority of our young will lead Canada during this its second century to a *richness of existence* undreamed of by any in this room. But, I am equally convinced that if our country is to achieve its destiny in peace and harmony free from extremism and civil turmoil, there is an increasing need for organizations such as The Empire Club of Canada, an Empire Club which allows free men to express free ideas; an Empire Club which serves not only to educate and inform but provides the means whereby all points of view, including, and perhaps especially, those of the disenchanted and the dispossessed, can be heard so that we can build a greater understanding among all men.

Freedom cannot be preserved unless it is pursued. To those of us who value our traditions, the duty and responsibility of The Empire Club is clear.

I am reminded of the words of that very great Canadian, the late Arthur Meighen, who on an occasion similar to this, stated in prose which only his mastery of the English language could create:

> "The chords of memory unite us with the past, and this is the time and this the place when all of us should catch the spirit and hear the voice of our noble founders – those men whose children to the second and third generation adorn our gathering now. If those men could speak, they would call on us to keep ever in front the vision which inspired our fathers – they would urge us to be conscious of our mighty heritage, proud of the Imperial Fountain of our freedom, worthy of those

ideals of British liberty and justice which have sent their light forth and their truth among all races of men. To our history, our principles, our traditions, let us be faithful to the end."

Mr. Chairman; Your Excellency; Gentlemen, I ask you to rise and drink a toast with me to The Empire Club of Canada.

DR. CRANFIELD:

The response to the toast will be proposed by my distinguished predecessor, Mr. Ian Macdonald, who graced the Presidency with such accomplishment last year. I have great pleasure in asking Ian Macdonald to respond to the Toast to the Empire Club of Canada. Mr. Macdonald.

MR. MACDONALD:

I can never participate in any toast without being reminded of A. P. Herbert's poem "After Dinner" in which I recall, among others, the following lines:

"The dog, considered a sagacious beast,
Does not give voice when he has a feast.
Nor does the cow go mooing about the mead,
To tell the world that she's enjoyed her feed.
The cannibal, when he has had his fun,
Does not propose the toast of anyone.
Oh, what a wise and wonderful thing,
If every toast were silent like – 'The Queen'."

However, Mr. Chairman, there must be exceptions to every rule and of course, for The Empire Club, speaking is our medium and listening our means of receiving the message. For The Empire Club, the spoken word is truly "a happy medium" and our messages – taken together – have provided a continuous contemporary chronicle of public affairs.

I believe, although I have no first-hand confirmation, that a book was published in Britain recently, entitled: "A Complete Listing of Former Members of Parliament – Broken Down by Age and Sex." Of course, such a thing could never happen in Canada – the publication, that is, not the infirmity. A breakdown of Empire Club speakers over 67 years would reveal few areas of social, political and human concern unattended. Indeed, for 67 years, the Club has provided this city and, indeed, this country with a weekly oracle – often Delphic, but forever dependable! I believe that such a proud claim will be possible in the year 2000, as readily as in 1970, provided our forum remains relevant to the society about us.

Traditions must always be treated as a springboard and not as a straightjacket. Such was the peculiar genius of the British Empire, such is the evolutionary character of the current Commonwealth, such is the strength and conviction of Canadian unity.

Where should this tradition be propelling us today? That is the question! The story is told of a man stopping Gilbert of Gilbert and Sullivan in the street and saying, "I like your new operetta, Bloodigore." "No," said Gilbert, "Rudigore." "Oh well, what's the difference," he was asked, to which he replied: "It's the difference between, I like your ruddy complexion and I don't like your bloody cheek." I hope I am not guilty of the latter if I attempt an answer to that question. Sixty-seven years ago yesterday, on November 18, 1903, a small group of men concerned for British unity in Canada gave birth to the Empire Club. Today, the playing-field is transformed and the players scarcely recognizable, but the ultimate goal remains unchanged – to assure an abiding Canadian unity, achieved through the inherited lessons and values of centuries gone by. Those lessons, those values remain as relevant, as eternal, and as universal as ever: peace, order and good government; loyalty and self-effacement; compassion and human understanding.

The ultimate purpose of our system of constitutional monarchy and parliamentary democracy is greater than even the head of state or any one parliament. It is a way of life, in which the right to legislate and the responsibility to oppose are equally relevant, provided opposition is not by clandestine destruction but open declaration, not by threat of terror but by intellectual integrity, not by vindictive violence but by peaceful persuasion.

Our task, then, is to ensure that the proud claim to a "true North strong and free" shall remain as valid in 2003 as in 1903, for that is what this Club stands for. And so we are determined to maintain a platform from which an empire of ideas will continue to flow, to the end that those words of the Greek philosopher Solon be forever so:

> "My native commonwealth, I will not transmit lessened, but larger and better than I have received it."

DR. CRANFIELD:

It is with a great deal of pleasure that I have the honour of introducing to you Mr. Sydney Hermant, the President of Imperial Optical Limited and the illustrious President of the Empire Club of Canada twenty years ago. Mr. Hermant's interest continues unabated in the Club as his son Peter Hermant is one of our rising Directors and Sydney himself is still actively associated with the Club as a Member of the Empire Club Foundation. Mr. Hermant will present the Scroll of Office to His Excellency and I now call on Mr. Sydney Hermant.

MR. HERMANT:

Mr. Chairman, Your Excellency, Members and Guests of the Empire Club of Canada:

This is a very special occasion in the long and distinguished history of this Club.

Members will recall that the Honourable Roland Michener – a long-time member of the Club, a former Member of Parliament and Speaker of the House – was elected as

President at the Annual Meeting held on April 30th, 1964.

On July 6th of that same year, after spending many hours planning for our forthcoming season, and after presiding at just one special meeting held in May, Mr. Michener convened an emergency meeting of the Executive Committee and announced that on that very day the Prime Minister of Canada had appointed him as High Commissioner to India and that he would be leaving to exercise that high office in August.

Happily for the Club, Colonel Robert Hilborn, who graces our Head Table this evening, and who had been working very closely with our President, agreed to succeed and carry on for the balance of Mr. Michener's term of office, and it was a most successful one.

We were, therefore, particularly pleased when His Excellency, following in the tradition set by several of his distinguished predecessors, honoured us by becoming our Honorary President.

It must be said, however, that we regard you, Your Excellency, as something more than an Honorary President ex officio because we think of you as one of us who enjoys the esteem and personal friendship of so many of your fellow members.

In expressing our respect and appreciation, we reaffirm our loyalty to the Crown, which, as never before, represents justice and the common law which is the very basis of our civilized society and our way of life; and, if I may be presumptuous enough to say so, our respect and affection for Her Gracious Majesty The Queen.

I am particularly grateful to General Legge for having accorded me the honour and privilege of presenting Your Excellency with this Scroll of Office as Honorary President of our Club, and expressing our gratitude for your service to Her Majesty, to the Commonwealth, to a united Canada, and to your fellow members.

I will now read the text of the Scroll signed by our distinguished President, Dr. Harold Cranfield, and our Secretary, Group Captain Waddell, and would then invite Your Excellency to do us the honour of addressing this great Dinner.

HIS EXCELLENCY:

Mr. President: As I have been an ordinary member of The Empire Club of Canada for more years than I can recall – usually in good standing – it is a great pleasure to be here with you tonight.

It is also a bit overwhelming to find myself the Honorary President, and even more so to be incontestably confirmed in that high office by this impressive certificate.

Sydney Hermant is an old friend who always speaks with truth and frankness. It is, therefore, the more appreciated that he has given me so much honour, and the more understandable that he did not spare my feelings. However, I shall not try to defend myself, nor should I complain. This change of status gives me the right, in the Club, to "representation without taxation," very pleasant but constitutionally unorthodox. Secondly, these proceedings are evidence of what I value most: your goodwill and friendship. Finally, I take your invitation to be a mark of tribute both to my office as Governor General, and to our gracious lady Queen Elizabeth of Canada.

It has been suggested that I speak on "The Role of the Crown in the Canadian Constitution," an agreeable subject in the sense that it gives me an opportunity to talk about a feature of our system of government to which I have always been committed in theory and in which I am now deeply involved in practice.

On the other hand, the subject puts me in the unenviable position of talking about myself, or at least about my activities, a position I once described as being the last refuge of a speaker who has nothing to say!

In Canada we are the heirs, because of ancestry, of

Europe's two most influential cultures, those of Britain and France. (I hope that my Irish friends present will not object to being *excluded in* with the British.) And, of course, many Canadians have brought with them other cultural influences which have added to our heritage.

To France we owe a highly developed language and literature, a love of the arts, and amongst other things the gaiety and hardheadedness of the Gauls. The great French Revolution of 1789 came just too late to be part of her legacy to New France, unless recent events in Montreal can be related to it as a sort of second growth.

To Britain we owe personal liberty under the law, and democracy on the parliamentary model; Irish humour and Scottish bagpipes.

The Monarchy we derive from both Britain and France.

Had the French monarchy prevailed in the early struggle for North America, this part of the continent might well have followed the political vicissitudes of the Napoleonic and French empires and republics and arrived at something quite different from our present Federation.

It was a Frenchman, André Siegfried, who said in describing the English contribution to western civilization that England was "the only country to understand . . . that liberty and authority are not contradictory terms, that liberty can be enjoyed without disorder, and that authority can be exercised without tyranny."

In considering the roots of our constitutional monarchy, it is worthwhile recalling that parliament was originally derived from the authority of the Crown. It is also an historic fact that the Crown over the centuries won its greatest dignity and power in and through parliament.

It was an American historian who coined an apt phrase for the contribution of the Crown to English constitutional liberty, "self-government at the King's command."

It was my predecessor and a long-time friend of the Empire Club of Canada, Viscount Massey, who put it this way:

> "When the Crown was given up for a few years in England under Cromwell, it was brought back as much for the sake of Parliament as for its own sake, and since then the two institutions have grown together, inseparable, each growing in power and prestige."

With this background, it is not surprising that the Fathers of Confederation chose deliberately to continue the Monarchy. Of this choice, Senator Eugene Forsey said recently:

> "Macdonald took special pains, in the Confederation debates, to make absolutely clear that the delegates at Quebec had been perfectly free to drop the monarchy but that there had not been even the faintest suggestion of the kind; on the contrary, there had been a unanimous desire to retain it . . . no one was more eloquent and emphatic on this than Cartier . . ."

and why not? Up to that time

> "Not one square inch of the new dominion's territory had even been under any government but a monarchy; . . ."

(unless one counts a comic government established in 1867 at Portage la Prairie by one Thomas Spence, founder and president, under the name of The Republican Monarchy of Caledonia. Even Louis Riel flew the Union Jack beside his provisional government flag and . . .

> "William Lyon Mackenzie, after living in the United States, had begged to be allowed to come back to Canada as a 'loyal subject of the Queen', adding that if he had known beforehand what a republic was really like, nothing would have induced him to rebel."

The Crown in Canada, Today

So much for the past. What of today?

It is a timely subject because the monarchy, like all of our political institutions, is always changing and developing, and because at this time we in Canada are in the midst of making deliberate changes in our constitution – very deliberate, one might think!

First I should say something of how it works, although this is pretty generally known, particularly amongst such well-informed and earnest Canadians as follow the addresses given from this rostrum. Then I shall refer to the attitude of Canadian governments, as they appear from the constitutional debates now going on, and then give some estimates of present public attitudes. The future I leave to the angels, if they do not fear to tread.

Even the present is perilous ground for a Governor General.

As you all know, it is not really the role of my office to declare policy in such matters, unless you regard the Speech from the Throne as my own invention. In any case, that Speech has been made for this year.

I have to be careful also with my speculations on such subjects, even in the relative freedom of such a friendly forum as this. There always seems to be some member of the Fourth Estate lurking in the wings or sitting under the lectern.

Perhaps I should say that by the "Crown" I mean the formal "institution apart from the incumbent of the moment; kings and queens come and go, but constitutionally and legally the Crown goes on forever, relatively undisturbed by the impermanence of sovereigns" (or Governors General). [Dawson, 4th edition, p. 157] Furthermore, I mean the Crown in Canada as it has been since the 1926 Imperial Conference, and The Queen in Canada, as she has been styled since 1953.

In practice, the real executive power rests in the Cabinet, chosen and headed by the Prime Minister, depending in theory on the confidence of the Crown and in fact on the confidence of the House of Commons. In theory, the Prime Minister and the Cabinet advise and, if formal action is required, it is the Crown that orders. In fact, as we all know, the truth in the maxim "The King can do no wrong" depends on his doing nothing for which the country will not blame his advisers – not him.

In theory, there is a reserve of power in the Crown, seldom used in practice. It is a limitation on arbitrary or irresponsible action on the part of those who wield the real power. Furthermore, the form in which this reserve of authority is preserved is in itself a sort of check on any usurpation of direct command by a government which might be tempted to overstay or overplay its constitutional role. For example, it would be a bold or reckless Minister who would try to present a money bill to parliament without the approval of the Governor General, although such approval is given as a matter of course.

And so the British North America Act formally invests the executive authority of Canada in The Queen and names her as Commander-in-Chief.

She in turn passes these on to the Governor General.

The latest definition of the Governor General's powers was made by Letters Patent in 1947 in these terms:

> "And We do hereby authorize and empower Our Governor General, with the advice of Our Privy Council for Canada or of any members thereof or individually, as the case requires, to exercise all powers and authorities lawfully belonging to Us in respect of Canada . . ."

That seems to be, and is, a pretty complete delegation, and so it is in practice. It enables the Governor General to fulfil *in Canada* all of the functions of a Head of State and since the appointment of Canadians as Governors General they have tended to do so, identifying themselves more fully as the one person in Canada who symbolizes the unity of its people and the continuity of its institutions.

Nevertheless, in the ordinary course of government, some internal matters involving the Crown are still referred to The Queen. They are:

a) confirmation of awards of Canadian honours by the Governor General;
b) a change in the title of The Queen as Queen of Canada, if that were to occur; and of course
c) the appointment of a Governor General.

Even when The Queen comes to Canada, as she has done every two or three years, and as she did last July, and will again next May, the Governor General carries on normal business for the Crown, and The Queen only acts if expressly requested by her Canadian Ministers to do so.

In our *external relations*, reference is made to The Queen more often, namely for the appointment of Canadian Ambassadors to foreign countries, the signing of their letters of credence, the signature of Full Powers for the executing of treaties in the Heads-of-State form, the granting of agrément for foreign ambassadors, and (God sparing everybody from this one) authorizing a declaration of war.

All of these could be legally done by the Governor General without reference to the Sovereign, although it might be a trifle embarrassing for the Governor General to have to appoint his own successor!

Of course, if The Queen could reside in Canada as our Head of State, these divisions of the Crown's functions would not arise, or if she were free to devote herself to Canadian external relations, for example by making state visits to foreign countries in her capacity as Queen of Canada, our independent identity abroad could be fully maintained.

But we have to remember that she is also "Elizabeth II, by the Grace of God of the United Kingdom and her other realms and territories, Queen, Head of the Commonwealth, Defender of the Faith". Her other realms comprise 12 other states of the Commonwealth which recognize her as Queen. She is Head of the Commonwealth to 14 other Commonwealth states which have adopted republican forms, the most recent being Guyana on February 23rd, 1970, and to four states which have their own monarchs.

By reason of these preoccupations and her absence from Canada except for periodic visits, her function as Head of State and Commander-in-Chief and all the powers of the Crown, with the exceptions noted, are in fact exercised by the Governor General.

As it is, state visits by the Governor General, such as those made by my predecessors to the United States of America, and more recently by me to the four Commonwealth countries of the Caribbean, have been accepted and understood by the countries concerned as fully representative of the Canadian State and are doubtless capable of further extension.

Canada is able to play its part in the Commonwealth and in the society of nations as a fully independent and self-governing state because practice has advanced in this direction ahead of the letter of the written part of the Constitution.

The Constitutional Conference held its first meeting in Ottawa in February 1968, and its most recent meeting was last September.

The monarchy has come in for some mention. Preliminary positions have been taken and published by the Federal and Provincial Governments and their advisers. There have been some indications from Quebec that a Provincial President might suit the Province better than a Lieutenant Governor. The method of opening its final session of the National Assembly showed a desire for a change. In general, however, the attitude in the constitutional discussions appears to reflect a view that the institution of monarchy in Canada has served us well and that its reform has no great priority in the present round of constitutional changes.

Nevertheless it does have a place.

I should like to discuss two aspects: – the exercise by the Governor General of the functions of the Head of State, and the method of removal of the Governor General. They are stated in the Federal position paper issued last February as follows:

1. Canada should continue to be a sovereign state of which The Queen is Head of State.
2. The Governor General should exercise all the functions of the Head of State.
3. He should hold office at pleasure but should only be removed before the expiry of five years from the date of assumption of office for cause, by a joint address of both Houses of Parliament.

The third suggestion made in the Canadian constitutional paper: that a Governor General should not be removed before the end of five years except for cause and by a joint address of both Houses of Parliament, would cure an obvious weakness in his status.

Five years has been the average term of service since Confederation, although each of my Canadian predecessors, Mr. Massey and General Vanier, completed seven years.

It does not seem likely that in the present state of constitutional conventions a Prime Minister would attempt to remove a Canadian Governor General before five years unless the gentleman in question had become persona non grata to the Canadian people as well as to the Government, but if he did, it would not be fair to expect The Queen to protect her appointee by refusing her Prime Minister's advice.

Nor would it be seemly for the Governor General, if he suspected what was in the wind, to try to beat the Prime Minister to the punch by dismissing him first!

The trend of events seems to be to establish the Governor General as the Crown in Canada for all purposes, as far as that can be done consistently with the continuation of the hereditary monarchy.

It is not easy to assess public opinion on such a subject, particularly when there has been little to arouse it. In the long run, Parliament reflects the public will, and the Press and other media give a day-to-day expression of it modified by their own predilections. Perhaps the public opinion polls, of which there have been at least four of considerable depth in the past year, offer the best available information. They seem to show that the monarchy is favoured in principle by 2/3 of the Canadians who were prepared to express their opinions, and that there is not much active interest in change.

For example, the Canadian Institute of Public Opinion asked this question some time ago: "Do you think Canada should continue to pay allegiance to The Queen, or do you think we should become a republic with an elected president?"

In the national sample, 50% said Yes, 33% favoured a republic, and 17% declined to say. As one would expect, the answer was different by regions. In Quebec, 46% favoured a republic as against 23% for allegiance, and 31% silent. Ontario favoured the monarchy well above the national average, and the West was even higher.

Not unexpectedly, older persons (over 50 years) were stronger advocates of the monarchy than any other age group. Although even those in their 20's gave preference to the monarchy.

Another well-taken sounding showed that in Canada, exclusive of Quebec, the Crown was just not an issue to 37%, and a further 41% were rated as loyalists, although many of those older ones recognized that youth had different ideas which might have an effect in the future.

Those who have been interested enough to express their views offer quite a variety of argument in addition to points which appear from what I have said.

From the opponents of our monarchy, one hears:

1. (that) monarchies are out of fashion,
2. (that) republics give more freedom (if one is careful not to cite the Soviet Union, or numerous other republics

with repressive regimes, which come readily to mind),

3. that it gives more dignity to humans to choose their own head of state,
4. that it is not Canadian but British; for this reason some regime of our own invention would be more acceptable to our multi-cultural society,
5. then there is the argument: "change for its own sake".

On the other side of the case, I saw a very effective statement by one Robert H. Hilborn, M.B.E. Writing about the film on the Royal Family which ended with this cogent statement: "The strength of the monarchy lies not in the power it gives the Sovereign but in the power that it denies to anyone else," he commented as follows:

> "The monarchy provides a basis for political continuity, so that parties can change but the essence and theory of government can continue. . . . Its influence may be more apparent than real but it is real enough for a political system that works on consent."

A second point along the same line is that the monarchy is beyond partisan politics which cannot be said of an elected head of state. In fact there have been numerous examples of battles for power between an elected president and his elected prime minister.

Third: it is our own by inheritance and choice, and contributes much to our distinctive Canadian identity and our chances of independent survival amongst the republics of North and South America.

Finally, from the polls it is clear that many Canadians refuse to consider the question at all on the simple ground that what we have works. Isn't this the acid test of any system?

I conclude by the observation that monarchy as we know it has always had its opponents and detractors. It is not difficult to lampoon many features of a system of government which has grown by trial and error, and often with the use of compromise and fictions.

In fact the very right to criticize is a tribute to the success of our parliamentary democracy under a monarchical system. Whatever the merits of the constitutional monarchy, it is far from dead!

DR. CRANFIELD:

General B. J. Legge, the Chairman of the Special Dinner Committee, has been asked to express our appreciation on this occasion. Bruce Legge is the Chairman of the Workmen's Compensation Board of Ontario, the Commander of the Militia in Ontario and was the President of the Club for the years 1958-59. Like Mr. Hermant he continues to serve the Club as Honorary Treasurer of the Empire Club Foundation. I have great pleasure in asking Bruce Legge to express our appreciation at this time. General Legge:

GEN. LEGGE:

To express the appreciation of this great audience to His Excellency is a high but overwhelming honour for a fifth speaker on the programme and because of the artistic demands of the occasion.

After the great Italian artist Pietro Annigoni had completed his masterly and romantic portrait of Queen Elizabeth in the flowing robes of the Order of the Garter, he became a world-famous success. Commissions descended upon him and he was besieged by movie stars, tycoons and jet-setters to paint their portraits. One fabulously rich young American woman cornered him at a reception in London.

"Mr. Annigoni, you must paint me in the nude and I'll pay any fee you like! Money is no object."

Even the celebrity-hardened Annigoni was taken aback and pondered a moment.

"Well, O.K. I'll paint you in the nude but you'll have to let me wear my socks or I'll have no place to stick my brushes."

Gentlemen, the critics of our Canadian tradition would leave us no place to stick our brushes!

When His Excellency recently represented Canada by visiting the Caribbean on a state visit, he was picketed by some unhappy protesters. One particular placard bore the exhortation, "Down with racism". On seeing it His Excellency went over and gently took the offending sign from the astounded man's hands and said, "I'll march to that."

This is the strength of our Governor General!

In matters of change there is often wisdom in Sir Wilfred Laurier who was royally entertained during Queen Victoria's Diamond Jubilee and after much wining and dining wrote home, "I am not sure whether the British Empire needs a new Constitution but I am certain that every guest at this Jubilee will soon need one."

Indeed, such is the frenzy of the Governor General's itinerary with consequent strain on his constitution that he must often feel sympathy for another Governor General who was seen studying a little black book while he was supposed to be enjoying a party. A friend asked, "Is Your Excellency looking to see where you go next?"

"No," replied the Governor General, "I'm trying to find out where I am now."

In the Empire Club of Canada the Governor General will always know where he is – among friends.

Of course, the world is full of change and a Portuguese-American, Bishop Medeiros, has even been named to succeed the Irishman, Cardinal Cushing, as Archbishop of Boston, thus ending the Irish dominance of the church in a state where the Kennedys – and some other Irish – are the Democratic Party.

In good fun this tremendous change was celebrated by a new arch-priestly thanksgiving,

"Hail Mary, full of grace
The Irish are in second place."

In Canada there can be no question of first or second place but one place for all to stand without bitterness or rivalry.

Tonight, Mr. President, His Excellency appears here as an illustrious Canadian representative of a gracious Sovereign and in a long line of Governors General. I ask you to remember the Crown and the high place which its representative and our friend, The Right Honourable Roland Michener, has in the Canadian way of life.

I know that this happy evening will increase our awareness of our traditional Canadian loyalty and vitality. May we always proudly strive for an even greater Canada.

Thank you Your Excellency.

DR. CRANFIELD:

Gentlemen, would you kindly remain standing while I accompany His Excellency from the room. May I say how much the Directors and I have enjoyed this evening and I hope that your pleasure was equal to ours. This meeting stands adjourned.

After dinner an informal Reception for the Directors was held at which coffee and liqueurs were served. The Special Dinner Committee, the Directors and the officers commanding the regiments in attendance at the dinner were introduced to His Excellency who then retired.

NOVEMBER 26, 1970

"Where Now Mr. Benson?"

(A meeting which ended with the unanswered question: "Where Now, Mr. Stikeman?")

AN ADDRESS BY H. Heward Stikeman
(A MONTREAL TAX LAWYER)

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Robert Watt

DR. CRANFIELD:

The hazards of travel are exemplified by the number of occasions in which an Empire Club speaker was unable to keep his engagement.

The earliest record that readily comes to light concerning a speaker unable to attend an Empire Club Meeting was on December 7th, 1933. The sudden illness of Mr. James Mooney placed Mr. H. Napier Moore, Editor of *Maclean's* Magazine on the podium. He gave an amusing and electrifying presentation on the title: "Does Life Exist After Marriage?"

* * *

The second occasion occurred during the early years of World War II and ended in tragedy. On June 10th, 1940, the Honourable Norman McLeod Rogers, Minister of National Defence, was killed in an aircraft crash at Bowmanville when the plane flying him from Trenton to Toronto was lost in fog at 1.25 p.m. At that very moment his address was being read by Colonel Mess and the audience was unaware of the misfortune.

* * *

Major General Brock Chisholm, a psychiatrist, was attempting to come up from New York to address the Empire Club on October 18th, 1950. A train wreck with the loss of a number of lives delayed his arrival. Dr. W. E. Blatz, a psychologist who was a Head Table guest went on in his place using the title, "The Psychology of Lying".

* * *

On November 20th, 1964 the aircraft to carry the Honourable Mitchell W. Sharp, P.C., Minister of Trade and Economics was prevented from flying from Ottawa because of unfavourable weather. A copy of his address "A Tale of Two Cities" was available and was read by Colonel Robert Hilborn, the president. Later the same season, Mr. Sharp did address the club in person on April 29th, 1965 with his title on this occasion, "The Quality of Canadian Life".

* * *

There was an earlier occasion in which The Secretary of State for Great Britain, The Honourable Hector McNeil was held down by fog at La Guardia Field in New York. Details of this are not available, though referred to by a past president.

* * *

In the current situation in which the date was November 26th, 1970 the speaker, who is a pilot, planned on flying from Montreal to the Island Airport to arrive in time to give his address. Hazardous weather both prevented this plan but also delayed the Commercial flight due to leave Montreal at 11 a.m. until it left at 12 noon. This circumstance would have placed the speaker on the ground at the International Airport at 1 p.m. where an automobile driven by Commodore Hendy awaited his arrival. Unfortunately there was a further half hour delay created by head winds of high velocity and the speaker actually put down at 1.30 p.m. The Chairman had been kept informed of the changing situation. The report of what transpired was recorded in the *Globe and Mail* as follows:

> "SPEAKER'S TIMING RIGHT OFF
>
> A lawyer from Montreal became part of the Empire Club's history yesterday by being late for lunch.
>
> H. Heward Stikeman, billed to speak on the tax outlook, was delayed by weather while flying to Toronto. An overflow crowd ate lunch, listened to the Club's president, Dr. Harold V. Cranfield, introduce the still absent Mr. Stikeman, enjoyed some public banter among Head Table guests, then learned the speaker could not make it in time.
>
> Embarrassed officials of the 67-year-old club could not recall anything quite like it before, although a speech was once delivered through a long-distance telephone hook-up and several have been read by substitutes.
>
> There were no refunds. The lunch fee covers only the cost of the meal."

* * *

In the Chairman's judgement the audience, who were present in overflow numbers (290), had come to hear Mr. Stikeman and none other. The Chairman therefore refrained from producing a substitute but instead guaranteed the presence of Mr. Stikeman at a later meeting. The meeting adjourned at 1.20. That the president kept his word is evidenced by the successful meeting of February 4th, 1971.

DECEMBER 3, 1970

The Strength and Strains of the British Economy

AN ADDRESS BY Sir Charles Hardie, C.B.E., F.C.A.
CHAIRMAN, B.O.A.C., CANPRINT HOLDINGS,
AND M.E.P.C. PROPERTIES LIMITED

CHAIRMAN The President,
Harold V. Cranfield

GRACE The Rt. Rev. F. H. Wilkinson, M.M., E.D.

DR. CRANFIELD:

As President of the Empire Club I wish to extend a very warm welcome to the members of The British Canadian Trade Association, The British Commonwealth Branch of the Board of Trade and The Royal Commonwealth Society. I am pleased to have them share the honour of the presence of our illustrious speaker.

A doctor's son who chooses a life in finance may have been influenced by a confused symbolism. I refer of course to the caduceus. It was worn proudly on the lapels of every flight surgeon's uniform in the R.A.F. and R.C.A.F. in World War II, but it is more accurately the symbol of Commerce. It is a winged rod about which two snakes entwine. The classics scholar recognizes this as the wand of the Roman God, Mercury, and knows that he was the god of eloquence, skill, trading and thievery and served with his winged heels and winged hat as the messenger to the gods of the time.

The proper symbol of healing, of course, is a rod with but a single snake about it and is as old as Moses. This symbol our speaker may well have noted in his father's surgery. He chose instead the Caduceus of Mercury, holding that if one snake is good two must be better. He was educated at Aldenham which is at Elstree in Hertfordshire, a school founded in 1597 a scant hundred years after Columbus discovered America. Leaving there, he qualified as a chartered accountant and joined an old-established City firm of Dixon, Wilson, Tubbs and Gillett. 36 years later he is still with them. There was one digression, in September 1939 he joined the armed forces as a private soldier and by 1945 was a full colonel in Marshal Viscount Montgomery's staff. He accepted an invitation to join the N.A.A.F.I., pronounced Naffee, as the deputy chairman which post he still fills. Any service man who has been abroad knows that N.A.A.F.I. stands for Navy, Army, Air Force Institute and that it runs the British Serviceman's world-wide Supermarkets and Social Centres. Since it was before Sir Charles became deputy Chairman it is no criticism of him to say that some of the worst music hall talent was inflicted on the poor suffering servicemen by the N.A.A.F.I. shows. (I recall that attendance was obligatory.)

In April 1967 our speaker accepted Chairmanship of the White Fish Authority and revitalized this fragmented and sagging industry. Earlier (1964) he had joined the Board of B.O.A.C. to which he became Chairman 5 years later. M.E.P.C. I believe is the parent company to this and he is Chairman of it and of Canprint Holdings Limited. Representatives of these companies have been introduced to you from our Head Table. Altogether he is director or chairman of more than a dozen companies.

He has been recognized by three awards, the O.B.E. in 1943, the C.B.E. twenty years later and finally he received his knighthood in the Queen's Birthday Honours in June 1970.

So it seems that all the assets of Mercury belong to him, eloquence, skill, trading and the winged heels and wheels of B.O.A.C. (That thievery bit we will ignore.)

There can be no question but that the title of to-day's address, "The Strength and Strains of the British Economy" holds a portent of what we are to hear. There is a physiological dictum that without "strains" there would be no "Strength". Tough sinew is the result of hard muscular action. I judge, what is true of a man and his tissue, we shall hear is also true of a great nation. I now call upon Sir Charles Edgar Mathews Hardie, C.B.E., F.C.A. – Sir Charles.

SIR CHARLES:

My subject today is "The Strength and Strains of the U.K. Economy". It is a golden rule that one should never talk about the politics of one's own country when visiting other countries, and indeed, if I did, the whole subject would take me about 30 seconds. One of our Judges told me the other day that politics are really quite simple, in that under Socialism man oppresses man, and under Capitalism it is the other way round.

What I want to do today is to present to you the external balance sheet of the U.K., and to follow this by the external receipts and payments account, both on capital and income account, the balance of which, of course, represents the vital balance of payments.

The U.K. has, in fact, a position of immense external strength in the sense that the overseas investments of the private sector are as large as $34 billion. The investment in the U.K. by foreign countries totals only $16B. and so you will see there is an $18B. advantage. On top of this the currency and other deposits overseas by the private sector total another $34B., but these are offset by a corresponding amount, being the liabilities by our banking system to the overseas depositors in question. This enormous gross banking asset derives from the fact that London is one of the largest, if not *THE* largest money centre in the world. We have had a policy of allowing any bank under the sun to set up business in London, and as a result large sums of money arrive in London and are turned over before being redirected, a very useful turn by way of profit for the U.K. in the process.

I remember wondering many years ago why Montreal or perhaps Toronto did not take advantage of the restrictive attitudes of the U.S.A. and New York in particular, by allowing the creation of an absolutely free banking centre as in the west, perhaps on the lines of Amsterdam or Zurich, let alone London.

Now this great possession of the private sector is offset to a great extent by the overseas borrowings of the U.K. Government from the IMF and other national funds of some $16B. although this is covered, of course, by the U.K. Government holdings of its own overseas lendings and its gold and currency reserves, altogether totalling some $6B. The net result, in any event, is an overall surplus in private and public sector holdings overseas of some $7B. This in the terms of industrial finance is the classical situation of long term investment against medium term loans and overdrafts, with a liquid reserve in the form of cash of sufficient proportions to cover normal fluctuations, and the task is, of course, to see that the fluctuations are not abnormal.

So much for the balance sheet of the U.K. I am told that in years gone by a Chancellor of the Exchequer, or was it a Finance Minister in Canada, always used to refer to a document in the left-hand top drawer of his desk whenever figures were talked about. When he retired, his staff hastened to see what was in this drawer, only to find a note with the simple words on it, "The asset side is the one nearest the window." If I get the figures the wrong way round today it will be because there are no windows in the ballroom of the Royal York Hotel.

As I have said, the task is to maintain the balance of payments so that net assets of the U.K. do not unduly diminish, and this really means the currency and gold holdings. How does the U.K. set about this task? Basically, we are exporting manufactured goods – incidentally only one-sixth of them to North America as a whole – at the rate of nearly $2B. per month – that is over $20B. per annum – and then we are importing raw materials, partly manufactured goods, in contradistinction to Canada, where it is the other way around, although I am sad to say that Canada imports from the U.K. only 50% of what it exports to Britain. It is obviously the task of a lot of those here to try and remedy this imbalance and I am very conscious of the great efforts being made in this direction by the British exporters. What we want is some more Canadian importers!!

Now these exports and imports on visible trade are at the present time in balance. There was a balancing item in the statistics in the past unexplained, but this now turns out to be unrecorded exports by those not wishing to fill in too many forms. There is always some joy in such situations for someone, because the property company of which I am Chairman let an empty office building just for the purpose of putting this accounting right. This balance is really a remarkable achievement because historically, actually since 1900, the earliest date I can roughly remember, the balance has always been the other way, namely a surplus of imports.

Now on top of this we have the invisible exports of the U.K., and these are the most valuable of the lot, yielding an annual surplus of $1B., which is roughly the net balance of payments presently enjoyed by the United Kingdom. The word "invisible" seems a contradiction in terms, and I hope our columnists can find something more realistic to describe what is the real basis of our economical health. I was in Miami a few months ago with the President of our Board of Trade, and there was an English girl swimming in one of those see-through glass swimming baths, whom we couldn't help watching. This British tourist to Miami, I reminded the President, is what is known as an invisible export from the USA point of view, to which he quickly replied, "She looks more like a visible import to me."

Now these invisible exports derive mainly from the dividends and interest on those investments of the private sector of some $34B., against which, of course, we have to knock off what is payable upon the smaller amount of overseas investment in the U.K. These investments have a double value in that the retained earnings are very much greater than the dividends paid, and so we have a built-in capital appreciation going on the whole time. If the country was an insurance company, I suppose it would re-value its funds from time to time to demonstrate a better showing than the bare book figures. On top of this we have our net receipts from shipping, and on the travel front I am glad to say that the airlines produce $500,000 for our economy in overseas sales. In fact B.O.A.C. only sells 30% of its tickets in the U.K. – all the rest overseas. Then we have our insurance companies, not forgetting our entertainers, and our great traditional merchanting business. All these so-called invisible exports from the private sector amount to over $3B., but there is, of course, as usual, another side to the coin.

The U.K. Government necessarily has much invisible expenditure in the form of overseas aid to emerging countries and defence costs in Germany and the Near and Far East under our traditional roles, and the overall cost of these is nearly $2B., which reduces the overall invisible surplus to $1B., which reflects the current overall surplus of the U.K. economy as a whole, if I may be allowed to oversimplify it.

I am afraid I have been rather peppering you with figures, but we are so highly computerized these days that at least we have to make use of this great new service. The first time I came across a computer was in France, during the war, when we had a computer on a lorry, recording ammunition and general stocks and stores, and we used to feed all sorts of other problems into this machine. On one occasion in a very sticky situation in the Ardennes, a General fed into the computer his situation in terms of resources and disposition of troops, and also the known position of the enemy, and then enquired of the computer, "Do we advance or retire?" Like a flash came back the reply, "Yes," to which the General speedily enquired of the computer, "Yes what," to which the computer equally quickly replied, "Yes *Sir*."

Now what do we do about securing the economy in order to maintain this balance of payments? And I can quickly summarize this by saying that not only do we concentrate on our exports, but we are constantly controlling our imports, because apart from the overseas aid we give, it is the excess stocks which in recent history, in such relatively small sums of £200m., which have precipitated crises in drawing off an equivalent amount from our currency resources. But the biggest task of all is to resist inflation, and I shall try and tell you in a few minutes what we are doing about this, in common with every country in the world.

What all this is aimed at is inspiring confidence in the will of the United Kingdom to tackle its problems without fear, and this is what is commonly called Faith. Now, at heart, we are really a modern, deep-thinking country, although we have not yet reached the stage of priests without habits or clergymen without collars. We are even getting a little more modern in this direction and a bishop was saying the other day that he has had to tolerate one of his clergy who was a devotee of donkey-racing, with all its attendant gambling involvement. The climax was reached when this particular clergyman actually entered his animal in a donkey race in Holy Week, and so he felt constrained to write him a reprimand, to which he promptly received a reply on a postcard, simply stating, "I have scratched my ass."

It is in this spirit of self-flagellation that the United Kingdom is tackling its problems. The first of these is resistance to wage advance, which is causing exceptional difficulty. It is a fact, however, that in the U.K. there is an unemployment level of 2½ % only, compared with 5 to 6% in North America, and so you will see that in this context there are obviously major patches of unfilled vacancies, which raises the demands. We are very conscious of our strike position, which receives so much publicity and probably derives from the fact that the whole plateau of British wages is fundamentally too low. In this field however, things are not really so bad, as we have an average record in the last 3 years of 60 days lost per 1,000 employees, compared with 300 days lost per 1,000 employees in North America. We are well above the European average except for West Germany, where the stoppages are only 10 days per 1,000 employees per annum. New legislation is being introduced with the usual cooling off periods and penalties for unofficial strikers, compulsory arbitration, but this is really only likely to be effective in terms of a background of new rules as opposed to regulations, which will not often, we hope, have to be litigated.

All this question of inflation is known as "ballooning". I was talking to a balloonist yesterday, believe it or not a director of the Royal Bank, and he told me that when in a balloon you are in the clouds, the only thing to do is to throw out of the basket a piece of lavatory paper of the soft variety. If it goes up, you are going down. If it goes down, you are going up. If you see pieces of paper dropping out of the window of Mr. Benson's office, you will know what is happening.

The next thing we are doing is to reduce public expenditure by Government Departments, and by the nationalized industries in matters which our present Government thinks are best left to private industry and the law of supply and demand. This should release more resources for the unsatisfied consumer demand which is currently being propped up to a minimal extent by a reduction in personal taxes of 2½%. Personal taxes up to $25,000 a year are really not very much higher than in North America and Europe, but I regret personally, above that figure the tax rate is 90% on individuals. That is why I look so pale and lean!

There has also been a 2½% reduction in corporate taxes, by way of encouraging plant investment, but the real control of the economy seems now to be centred in the control of money supply and we have a 3½% of resources of banks by way of special deposit in the Bank of England, free of interest, in order to curb the level of advances to customers. In Scotland the special deposit is only 1¾%, but as you will know in Canada there is always something special about the Scots!

I really cannot today fail to mention the Common Market, and here there is a real possibility of entry in order to create in economic terms 3 or 4 great powers – North America, Europe, Russia, and I suppose we must not forget the Far East. We have a transitional problem here, although owing to the relatively small dependence on mutual Canadian trade I don't think Canada will be unduly affected. Our most highlighted problem, but probably not so important as the opponents of entry would say, is the question of agricultural prices, which are subsidised in the U.K. This is already being anticipated by the U.K. by the imposition of import levies which will tend to lift U.K. food prices to a level which will be supportable after a few years after entry into the Common Market. When I read the menus in Canada, on which 90% of the dishes are made of beef, which is probably twice the price of beef in the U.K., you can see that there is a little personal problem here for lots of us, and we must not forget the dependence of New Zealand on its subsidized lamb exports. These, however, are only relatively small matters of highly emotional content. What will really matter about entry into the Common Market will be that the whole standard of living in Europe will be lifted to that of the U.K., as it is presently being lifted also to that of West Germany, a sort of substitution of proteins for carbohydrates, and in this expanding personal consumption market we shall play our part, and receive our benefit and likewise right across the world the whole uplift in standards will be felt in terms of international trade. We already have one precious thing in Europe, not the standard of living, but the standard of life, and when one sees south of the border the evidence of strife and violence and the problems of youth, we trust that we can avoid this particular degree of difficulty.

You can therefore see that the U.K. is really a very prosperous economy but that the price of a certain amount of political turmoil is we do impose strains and discipline upon ourselves in order to retain world confidence.

The whole problem is really nothing new and was clearly set out by the Indian Chief about 200 years ago, who called together his tribal elders and said, "I have two pieces of news for you – one good, and the other bad. The bad news is that this winter we shall have nothing to eat but buffalo dung, but the good news is there will be plenty of it."

Mr. Chairman, we, your guests, have not had this particular ingredient for lunch today, nor, we hope, will your members when they visit London next June, but I can say on behalf of us all, what we have had, we have had plenty of it.

Thanks of the meeting were expressed by Mr. Buell Manning.

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DECEMBER 10, 1970

Capital Has No Nationality

AN ADDRESS BY Robert W. Bonner, Q.C.
EXECUTIVE VICE-PRESIDENT
ADMINISTRATION TO MacMILLAN BLOEDEL
LIMITED

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Dr. Alan R. Huband

DR. CRANFIELD:

Next year British Columbia will celebrate its centenary as a province. In 1871 – there were 36,247 people there and ¾'s of them were native Indians. To-day there are 2,161,000 and one of the most important of these is on my right.

Our guest of honour here to-day is the Executive Vice President Administration, to MacMillan Bloedel Limited and it is characteristic of him to begin close to the top and move upwards. The secret of this type of success seems to rest in skill at planning.

As an example he was born in Vancouver on September 10th, 1920 and this guaranteed that he eliminated all the argument over age-at-entry to school for he was, in the parlance of horse racing, a yearling at the optimal time and thus off and running. He did not mess around acquiring a hit-and-miss education but got right down to it, for he took all of it, without having to travel from his place of birth, including his bachelor degree in Economics and Political

Science at U.B.C. by age 21. By 1942 the Cold War portion of World War II had just ended so he hadn't to wait around in camp like the rest of us for angry shots to be fired. He went straight into the army with the Seaforth Highlanders and was quickly off to North Africa. A sufficiently seasoned soldier he crossed into Sicily when the first European front was established and worked from the toe of the boot of Italy up through it with a valorous record. A major at 24, he was wounded in action in Italy and retired from the active armed forces in 1945. I doubt if this wounding was by plan but "first in first out" was the usual order of army discharge unless, like him, one were wounded. Thus, up he went to the front of the queue. He then went straight back to British Columbia and promptly became the Commanding Officer of the University of British Columbia Officers' Training Corps where he was raised to the rank of Lieutenant Colonel and continued to direct this operation from 1946 to 1953. In the first two years of this period he obtained his Bachelor of Law degree. He went directly into practice with the respected firm of Clark, Wilson, White, Clark and Maguire where he remained until 1953.

If in 1862 the Hudson's Bay Company had not established themselves in Victoria, which was to become British Columbia's future capital, it would have belonged to the U.S.A. for it is located at the most southern tip of Vancouver Island well below the 49th parallel which was later to be selected as our International Boundary line. Without this fortuitous circumstance the constituency of Victoria would have been American. Instead it is in Canada and here in 1952 our speaker ran for parliament and from there was subsequently re-elected *six* times. On his first election he went right into the Cabinet as Attorney General of British Columbia and held this post for 16 years. Concurrently, off-and-on, he was Minister of Education and Minister of Commercial Transport. He sat in the Bennett Cabinet with the father of one of our directors, Mr. Arthur Chetwynd, when Mr. Chetwynd Sr. was British Columbia's Minister of Agriculture who by the way has a grandson in this audience to-day. Very importantly, he held another Cabinet post for 7 years. I'll tell you about it in a moment for it relates to his present interests. His political career ended with his retirement from the Government of British Columbia on May 27th, 1968 so that he might join MacMillan Bloedel Limited as its Senior Vice-President Administration, now called Executive Vice-President Administration.

Consider if you will these simple statistics: the total shipments from British Columbia have an annual dollar value of about three billion. A third, or more than one billion of this, is from the forests and its products, the saw mills, pulp and paper mills, the veneer and plywood mills, the publishing and printing industry and the Sash and Door and other millwork factories. The total payroll within the province of British Columbia is 200 million per year; more than half of this is paid to workers in these industries. Big stuff anywhere, and especially in our third largest province B.C., and who is the biggest producer of them all? MacMillan Bloedel! and I stand right in the middle of it!

The Ministry that created the milieu for such expansion was that of Industrial Trade and Commerce of which our speaker was minister for seven years, in addition to the other governmental posts of which you heard earlier. So our Speaker's life always seems to move as though he were planning every step of it. He has added a career in the Moving Picture Industry by his election to the Board of Directors of Famous Players Canadian Corporation Ltd. This is a reversal of the Ronald Regan order. Since everything he does is planned, I would expect he will be a movie actor and matinee idol next. I now give you Mr. Robert William Bonner, Q.C., B.A., LL.B., C.D. – soldier, lawyer, law maker, cabinet minister and industrialist whose topic to-day will be, "Capital Has No Nationality".

Mr. Bonner:

MR. BONNER:

I have watched with growing amazement as one effort follows another in an attempt to persuade Canadians that there are differences among the capital investment dollars coming to Canada – that some of these dollars are very good and that others are very bad. The thrust of these criticisms is to persuade Canadians that if the source of invested capital lies outside the country, then Canada is somehow in danger of losing control of its own economy.

This conclusion has already prompted some to urge that Canadians set about to buy back their own country – whatever that means – and even Marcel Cadieux, Canada's Ambassador to the United States, in mid November wondered aloud whether Canada might not find it advantageous to take "social, regional, political and linguistic factors into account when drawing up a new set of behaviour rules for 'good corporate citizens'." When remarks of this sort come from such a responsible quarter, who knows what future discussion will bring?

As to foreign investment, I can say confidently that we have found in Western Canada that we can absorb vast amounts of capital from a number of sources, including the United States, without becoming the less Canadian in our characteristics and without loss of proper control of our own affairs.

As this national discussion about foreign investment proceeds, Western Canadians may be pardoned if they begin to question, looking back on the post-war period of almost uninterrupted expansion, just how much of it would have occurred in the West if the present discouraging discussion about foreign and particularly American investment had begun twenty-five years ago.

It will be my thesis in these few remarks to say that not only does capital have no nationality but, indeed, it may be supra-national as it flows between countries. However, it certainly becomes an integral part of the nation once it comes to rest, which is to say, once it has been invested in the host country.

I further believe that when we attempt to apply simplistic tests of nationality to capital, we not only jeopardize investment and the obvious benefits which flow from it, but also we embark upon a course which compels bureaucratic intervention at home and invites protective reaction abroad. In these circumstances disruption of the functioning machinery of the capital market place becomes inevitable. This is an experience which Canada would be wise to avoid.

Traditionally, and deliberately, Canada has been one of the world's most hospitable countries for venture capital. Some now say we have been too hospitable and that capital ought now to be screened before it is admitted. Screening, of course, would be done by government officials with little experience in and no responsibility for entrepreneurial decisions. Thus, the influence of a government bureaucracy would be brought to bear on the normal ebb and flow of capital across the borders. There is no reason to believe that this influence could be confined to foreign capital.

Inevitably, this screening process will result in discriminatory judgments against one body of investors in favour of others and will invite retaliation against Canadian businesses striving to enjoy the benefits of international trade or multi-national operations in other countries.

A basic flaw, it seems to me, in the reasoning behind nationalistic movements that are super-sensitive to foreign investment, is the confusion between governmental and private influences as they relate to outside capital, and in this context the reference is usually to American capital. If a man from Denver, for example, buys shares in my company, it is not because he hopes to exercise some Americanizing influences on our operations. He is not engaging in a conspiracy to dilute the Canadian nature of MacMillan Bloedel. He is simply exercising a business judgment!

Similarly, when Chrysler decided to set up shop in

Windsor, its motives were not those of the fiery John L. O'Sullivan who declared in 1845 that it was the United States' "manifest destiny to overspread and possess the whole of the continent which Providence has given us." Chrysler's motive was simply to manufacture automobiles inside Canada's tariff barriers. Indeed, much direct foreign investment in this country is here because our own protectionism encouraged outsiders to set up Canadian subsidiaries.

As you probably know, my own company is 75 per cent or more Canadian-owned, but in both Canada and the United States it operates alongside American companies in the same industry – some of them larger than we are, some of them smaller. I suspect some of them have learned something from observing certain industrial methods we have developed over the years. Certainly we have benefited from imports of technology which were perfected earlier in the United States than in Canada. The Americans are vigorous competitors for the same markets we serve, so we have had to be competitive with them in every phase of our operations – in production, distribution and marketing. Competition from outsiders, in our case then, has been a spur to excellence and we would not seek to restrict it. I think this view is widely held among Canadian businesses.

Business investments are the result of business decisions – diverse, non-political and mostly unrelated to one another. Consequently, the fear that the thousands of U.S. owners of all those investments in Canada would suddenly begin to act deliberately and in unison to frustrate Canadian policy strikes me as being both groundless and absurd.

We suffer, perhaps, from a kind of statistical psychosis arising from those figures which show that foreigners own 99.9 per cent of the petroleum and coal products industry, 95.7 per cent of motor vehicles and parts industries, 91.6 per cent of aircraft and parts industries, and so on through a long list which leads to the too easy assumption that the

Honorary President
His Excellency The Rt. Hon. Roland Michener, c.c., c.d.,
Governor General of Canada

Photograph by
Gilbert A. Milne

October 1st, 1970
THE HONOURABLE
MR. JUSTICE SAMUEL
H. S. HUGHES
"Imperial Legacy"

October 8th, 1970
MR. T. GEORGE STREET
Chairman, National
Parole Board
"Crime Is Your
Business"

August 18th, 1970 – LADIES' DAY (Dinner at the Seaway Hotel).

Captain James A. Lovell, Jr., U.S.N. and NASA Astronaut being presented to The Hon. W. Ross Macdonald, P.C., C.D., Q.C., LL.D., Lieutenant Governor of the Province of Ontario and Honorary Vice-President of The Empire Club, by his Aide de camp, Commander Peter Wilch.

Photograph by Gilbert A. Milne

October 15th, 1970
Mr. Arthur Child
President of
Burns Foods Limited
"Man in Management"

October 22nd, 1970
Mr. John Straiton
President of
Ogilvy & Mather
Canada Ltd.
"Are Canadians
Simply Americans
on Snow Shoes?"

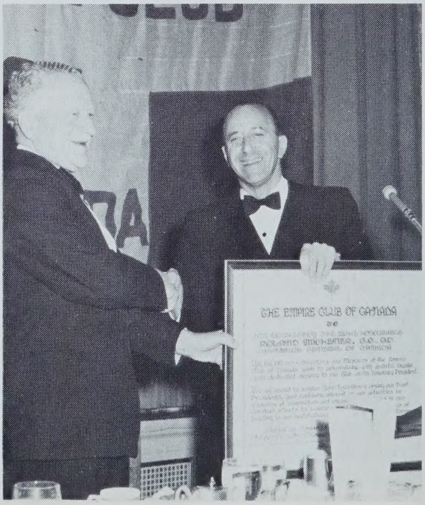
ROYAL YORK
HOTEL

October 29th, 1970
PROFESSOR
HANS SELYE, C.C.
"STRESS"
(Ladies' Day)

November 5th, 1970
MR. ALLAN A.
ROWAN-LEGG
Agent General
of Ontario in the
United Kingdom
"Canada's Market
in Britain –
Problems and
Possibilities"

ROYAL YORK HOTEL

November 16th, 1970
DOCTOR
DONALD CREIGHTON
Historian
"The Coming Defeat of Canadian Nationalism"
(Joint meeting with The Canadian Club)


THE EMPIRE CLUB OF CANADA

November 19th, 1970
HIS EXCELLENCY
THE RIGHT HON.
ROLAND MICHENER,
C.C., C.D.
Governor General of Canada, at a Dinner in his honour to present him with his Scroll of Office as Honorary President of The Empire Club; MR. SYDNEY HERMANT making the presentation.

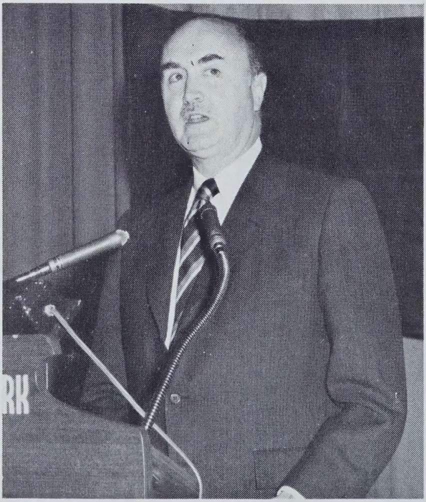
August 18th, 1970
CAPTAIN JAMES
A. LOVELL, U.S.N. and
NASA Astronaut
"The Apollo XIII
Mission"

Photograph by
Gilbert A. Milne

OF
NA
ROYAL YORK

November 12th, 1970
MR. ARLON J. SVIEN
Vice President
Collins Radio
"Apollo
Communications"

December 3rd, 1970
SIR CHARLES HARDIE
Chairman, B.O.A.C.
"The Strength and Strains of the British Economy"



December 10th, 1970
MR. ROBERT W. BONNER
Vice President, MacMillan Bloedel
"Capital Has No Nationality"

January 7th, 1971
HIS EXCELLENCY
SIR PETER HAYMAN
K.C.M.G., C.V.O., M.B.E.,
British High
Commissioner
to Canada and the
HON. JOHN ROBARTS,
Prime Minister
of Ontario
"Britain in 1971"
(Ladies' Day)

January 14th, 1971
THE HON MR. JUSTICE
SAMUEL FREEDMAN,
Judge of the
Court of Appeal,
Province of Manitoba
"Challenges to the
Rule of Law"

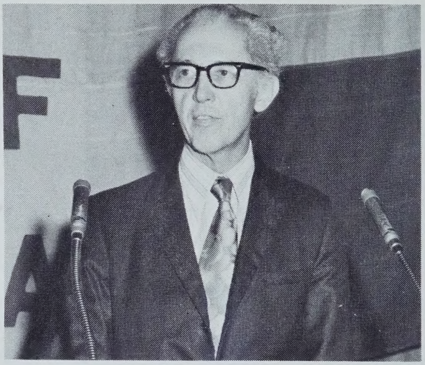
February 4th, 1971
MR. H. HEWARD STIKEMAN, Q.C.
Senior Partner,
Stikeman, Elliott, Tamaki, Mercier and Robb
"What to Do 'Till Benson Comes, or White Paper Ju-jitsu"

February 11th, 1971
DR. JEAN VANIER
Practical Philosopher
"A World in Violence; Eruption to Hope?"
(Ladies' Day)

January 21st, 1971
THE HON. MR.
JOHN YAREMKO,
B.A., Q.C., LL.D.,
Minister of Social
and Family Services,
Province of Ontario
"Social Assistance,
a Legal Right"

January 28th, 1971
MR. MURRAY
CHERCOVER
President, C.T.V.
Television Network
Ltd.
"The Challenge
of Change"

February 18, 1971
MR. LORNE E. ROWEBOTTOM
Asst. Dominion Statistician
"500 Million Questions"
(Census Day – Count Yourself In)



February 25th, 1971
MR. DAVID L. NICOLSON
Chairman, B.T.R. Leyland Industries, and Governor of the Imperial College of Science and Technology
"Development in Company Direction in Europe"

March 4th, 1971
RIGHT HON. VISCOUNT AMORY, K.G., P.C., G.C.M.G.,
Governor of the Hudson's Bay Company at its Tercenteniary
"Three Hundred Years"

March 11th, 1971 – MR. E. J. W. (Tony) HELLMUTH, Director, Midland Bank Limited.
"International Credit on Capital Markets Now and in the Future"

March 18th, 1971 – MR. WILLIAM D. MULLHOLLAND, M.B.A., President of Brinco and President of Churchill Falls-Labrador Corporation.
"Churchill Falls and Beyond"

January 7th, 1971 – HIS EXCELLENCY SIR PETER HAYMAN, K.C.M.G., C.V.O., M.B.E., British High Commissioner to Canada; MRS. JOSEPH POTTS; The President of the Empire Club; MR. JOHN HALL, Chairman of the Royal Commonwealth Society, Toronto; and MR. JOSEPH POTTS, Q.C.

April 15th, 1971 – DR. CLAUDE T. BISSELL, President of the University of Toronto. (A joint meeting of the Empire Club of Canada and the Canadian Club of Toronto.) "The University of the Seventies"

March 25th, 1971 – THE EARL OF BESSBOROUGH, Special Envoy, Department of Trade and Industry, U.K. (In attendance many Loyal Societies, The Women's Canadian Club and the Royal Commonwealth Society.)
"Britain's Scientific and Industrial Achievements"

April 1st, 1971 – HIS EXCELLENCY SHINICHI KONDO, Ambassador of Japan to Canada.
"Japan Today and Tomorrow"

April 22nd, 1971
MR. LEONARD WOODCOCK
President of the International Union of the Automobile, Aerospace and Agricultural Implement Workers of America
"Inflation and the Economy"

April 29th, 1971
MR. GEORGE B. MORRIS, JR.
Director of Labour Relations for General Motors
"Labour Relations in the 70's"

ROYAL YORK HOTEL

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country's assets have been virtually confiscated by outsiders.

The illusion is heightened by the frequent habit of referring to the sale of a Canadian company to a U.S. company as a "takeover." The U.S. buyer is often referred to as a "giant" and the Canadian company cast as its victim, the poor Little Nell of international economics, when in fact the Canadian company was fairly sold by a willing seller to a willing buyer. We are frightening ourselves with scare words.

Statistics chosen less selectively than those I have just quoted lead to a better balanced picture. Overall, it appears from figures reported under the Corporations and Labour Unions Returns Act that American-controlled corporations own 19 per cent of Canadian corporate assets, and the portion of total business assets owned by Americans in Canada would be much less than 19 per cent.

In the last half of the 1960's new U.S. investment in Canada has been running at a fairly constant rate of something over a billion dollars a year. Last year that included $619 million of new capital, $937 million of reinvested earnings and $182 million of net new acquisition. Viewed in that light, American investments look less like takeovers than votes of confidence in Canadian stability.

The 1969 figure of new U.S. investment in Canada – $1.7 billion – falls into better perspective when judged in relation to total capital formation in Canada for that year – $16.9 billion.

Regardless of the source, once the investment dollar is injected into Canada's economic bloodstream, is is in effect naturalized.

Plant and equipment may not always become a commercial success – but they remain resident assets virtually irremovable from the country. Thus, investment is subject to Canadian law and regulation. Moreover, it is not disputed that Canadian subsidiaries owned by people outside Canada have usually been exemplary citizens, if anything working a little harder than some of the natives to live up to their obligations.

It is at the governmental level that difficulties arise, not at the corporate or personal investment level, and it would appear to be mistaken nationalism to restrict investment by private individuals because of the policies of their government.

It must be admitted that Canada does on occasion have a problem with the extra-territorial application of U.S. laws and regulations. This is a subject of frequent discussion between the two governments. Attempts by U.S. government officials to make U.S. anti-trust laws apply to Canadian companies, simply because they are subsidiaries of U.S. parents, is an irritant in relations between the two countries. This same irritation occurs when regulatory bodies try to make their edicts apply to Canadian companies. These are the incidents which inflame nationalistic sentiments in Canada and they are often just as irksome to U.S. businessmen as they are to Canada because they impose dual national responsibility on some of their operations.

Somehow, a better way must be found to assure that Canadian companies, regardless of where their owners reside, are subject only to Canadian law insofar as their Canadian operations are concerned.

This assurance may require long and delicate negotiation but fortunately we are dealing with a friendly government which we know and understand and with whom we have resolved more difficult problems in the past.

Having acknowledged occasions of genuine irritation, I repeat that we make a grave mistake if we seek a solution to inter-governmental conflicts by lashing out at private outside investment, as some of us are inclined to do.

A new dimension has been added to Canada's love-hate approach to foreign investment and that is the multinational company. There is a risk that its importance may be overlooked as we strive for a national consensus as to what policy the government should adopt with respect to outside capital. The multi-national company is proof that capital works more efficiently for society if it is allowed to function outside the confines of a single nationalism and those organizations which qualify as true multi-national companies have nearly divested themselves of national colorations. Thus, host countries can accept them and their investments for what they are, rather than mistake them as long arms of some political power trying to expand its influence.

Canada needs to encourage the development of an international community of thought in which business decisions can be made multi-nationally. Free capital movements are part of that community. By allowing capital to move freely across borders we do more for Canada's national independence than by throwing up nationalistic barriers to investment because new capital bolsters our economic strength.

We cannot be strong politically if we are weak economically.

At the same time we should, ourselves, be moving beyond our borders, participating in the assembly of international organizations that will bring new wealth in the form of profits and technology back to Canada, and we should be more alert to the investment opportunities in our own back yards. Then, perhaps, we would be less sensitive to the presence of others in our midst.

In the face of today's social needs, however, I don't know how it can be suggested that we ought to forego millions of dollars in investment simply because it comes from American or other sources. That is an emotional and self-defeating approach to national independence.

Quebec alone stands in need of 100,000 new jobs by the end of next year and by any measure the creation of those jobs is going to take a prodigious amount of capital. Taking the forest industry in British Columbia as an example, one new job in a new pulp mill can cost upwards of $120,000 in capital invested. Granted that the pulp and paper industry is a capital intensive industry, but that is the trend in all industry today.

It has been reported that the federal government has invested $1.1 billion in projects in depressed areas over the past two years but has succeeded in creating with that outlay less than 37,000 new jobs. Therefore, each of those jobs cost almost $30,000 to create.

The need for capital is both great and growing. I do not know how it can be argued that a Canadian working at a job provided by an outside investor would somehow be better off if he remained unemployed until such time as domestic capital filled the investment gap.

I hold no brief for economic dependency and I do not claim that it is a good thing for Canadian capital to lie idle while others take the risk and the profits, or losses, which follow. But Canadian capital is not idle. It is simply insufficient for full Canadian development.

I should like to see Canadian investors far more venturesome and innovative than they have been in the past, and I detect unmistakable trends in this direction, particularly among younger enterpreneurs. But until such time as we can produce domestically a greater share of our capital needs, I reject the timid proposition that our Canadianism is too weak to survive the influence of outside investment.

Our Canadian characteristics, it seems to me, are better defined today than they were in the past. They have been exposed for generations to outside ideologies, customs and mores. We have always adopted those that appealed to us, and turned our backs on the rest.

I would hope that we are not about to experience a resurgence of the kind of nationalism that marked the old reciprocity debates of the mid-1800's and re-emerged in the period leading up to the federal election of 1911. That was the election in which Sir Wilfrid Laurier urged the country to "Follow my white plume" into a free trade compact with the United States. But his slogan was countered by that highly emotional cry attributed to Sir George Foster – "No truck nor trade with the Yankees," and the emotional approach won. It is ironic that the 1911 outburst of nationalism was based partly on a fear that American capital investment in Canada would be reduced in an era of free trade. The protectionists argued that American companies would not build branches in Canada if they could get their raw materials from us duty free. We have certainly come full circle.

It came as something of a blow to our national pride the other day to note in the press that Canada had slipped in the ratings that are periodically made of the relative standings of nations in various categories. Once upon a time, every school boy took for granted the claim that Canada was second only to U.S. in the store of goods she produced, per capita. For a northern nation with few people that seemed a fair achievement. Sometime in the postwar period, however, another northern nation, Sweden, overtook us in the ratings. Now we learn that tiny Switzerland has achieved a higher GNP per capita than Canada, according to latest compilations. While this certainly is no catastrophe, and we should not begrudge Switzerland her new stature, it does stand as a commentary on Canada's recent failure to turn in a performance closer to her potential.

One Canadian resource in particular – our manpower – is wasted in underemployment and unemployment. The surest source of jobs for those now without them is industrial growth. I now collide head on with the environmentalist but otherwise nationalist argument that our society can no longer afford industrial growth for the sake of growth. It is argued that the capitalists of the world have got to stop this incessant creation of new plants which spread farther and farther into the countryside. In Canada today I can only say that growth is not undertaken for the sake of growth but for the sake of providing the basics of life to a constantly growing population. When zero population growth is achieved, we can then consider the implications of zero industrial growth.

Because it is the area I know best, British Columbia's experience with economic growth is the best example I can think of to illustrate the benefits which flow from a policy encouraging capital investment. In the past ten years capital investment in the province has grown by 125 per cent. Investment of that magnitude then helped to stimulate a 134 per cent increase in wages and salaries, a 126 per cent increase in gross provincial product, a 157 per cent increase in building permits and a 78 per cent increase in retail sales, from a population which increased 32 per cent.

Much can be read into statistics such as these, but more than anything else, they illustrate the multiplier effect of investment into various sectors of the economy. The sum of the benefits, in other words, is greater than the total of the investment because of the widespread stimulation of the economy. Investment in British Columbia has come from any number of sources – from the Americans, from Japan, from Europe, from Ontario and from British Columbia.

Investment from a polyglot kettle of capital has gone into joint ventures, wholly-owned subsidiaries, and individual portfolio investments. Each part has sought a reasonable return based on British Columbia's particular economic advantages, yet no part has sought any privilege based on nation of origin.

I think our experience might be cited as an example of Canadian identity strengthened by the infusion of outside capital. Our children may drive, in their Japanese cars, into an American franchised eating establishment. Some of their parents may have jobs with a company owned by Finnish or German interests. But these young Canadians will receive first rate educations in universities financed by the revenues of a thriving economy, and, make no mistake about it, they know very well that the slopes they ski on and the waters they swim in and the laws they live under are Canadian.

Our concern with foreign investment in this country is as much a product of history as our problem of learning to live with two cultures. The die was cast long before Confederation when we determined to make a modern nation out of half a continent with a handful of people. It was then that we began as a country with perhaps the world's most liberal climate for investment. It was a national policy which had problems but these have been repeatedly overcome by the progress in nation building which we have achieved. The basic posture of the country as a free economy would be almost as difficult to change, now, as it would be to impose a single culture upon our people – and just as unacceptable. Both would represent an historical wrench that most Canadians do not want.

I have come upon a quotation dealing with nationalism which I would like to share with you because it has good advice for Canadians in this current national debate. "It is possible that nationalism may still have a role to play in backward societies where the status quo is upheld by irrational and brutal forces . . . But in the advanced societies, where the interplay of social forces can be regulated by law, where the centres of political power can be made responsible to the people, where the economic victories are a function of education and automation, where cultural differentation is submitted to ruthless competition, and where the road to progress lies in the direction of international integration, nationalism will have to be discarded as a rustic and clumsy tool."

The author of this quotation is Pierre Elliot Trudeau.*

The speaker was thanked by Mr. William Karn.

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* *Federalism and the French Canadians.*

DECEMBER 16, 1970

Christmas Luncheon

GRACE Rt. Rev. Dr. Ernest Howse, S.T.M., PH.D., D.D.

CHAIRMAN The President,
Harold V. Cranfield

DR. CRANFIELD:

Your Honour, Right Reverend Sir, Ladies and Gentlemen: the members of the Empire Club of Canada and their guests extend a warm and cordial welcome to His Honour the Lieutenant Governor and to his daughter Mrs. Haldenby.

Patterns of tradition are slow in forming. The first Empire Club Christmas Party was held from 6 to 9 p.m. 57 years ago on Friday, December 19th, 1913. Ladies were present and Albert Ham, a doctor of music, led a group known as "Ye Olde English Choir" in the singing of carols. They were tough in those days for the audience listened to three speakers as well.

The next time we hear of carols is on December 21st, 1921 when again there was a Ladies' Night and music was by the Boys' Choir of St. Simon's Church. The first time a Lieutenant Governor attended a Christmas party of the Empire Club was when His Honour Lieutenant Governor Cockshutt and Mrs. Cockshutt were entertained in the Crystal Ballroom of the King Edward Hotel on December 18th, 1924.

By 1949 the Christmas party was established in the

Empire Club tradition as a time for Christmas carols and music, and the only year of variation from this was 1952 when a Christmas play was presented instead of music.

It was in the year 1963 that the Empire Club was first favoured with the gracious acceptance by a Lieutenant Governor of the office of Honorary Vice-President. This then was the beginning of our Christmas tradition as we celebrate it today, with our ladies, with a choir singing carols and with the presence of our Lieutenant Governor, both as the Queen's representative and as the Honorary Vice-President of our Club. You, sir, are assured of the loyalty of our Club to a United Canada, a continuing Commonwealth whose head the Queen of Canada is represented by you, as her Lieutenant Governor in and for the Province of Ontario. It is my honour to present you now as a member of our Empire Club family. Your Honour:

* * *

His Honour the Lieutenant Governor W. Ross Macdonald, P.C., brought greetings on behalf of the Queen to the Empire Club of Canada's Christmas Party. Having learned from his daughter Mrs. Haldenby it was the President's birthday he added his own congratulations to that of the audience.

DR. CRANFIELD:

Thank you, sir, for your gracious message and your personal greetings. We welcome here also one of His Honour's lovely daughters, Mrs. Haldenby, and now I ask Mr. H. Ian Macdonald, our immediate past president, to serve for me.

* * *

Mr Macdonald presented a bouquet of roses to Mrs. Haldenby.

Dr. Cranfield presented to the Immediate Past President, Mr. H. Ian Macdonald, an illuminated scroll and roses for Mrs. Macdonald.

* * *

DR. CRANFIELD:

Before you return to your place, Mr. Macdonald, it is my special pleasure to present you with a scroll of office. No president deserved it more and no president could ask for more loyal guidance, wise counsel or willing and cheerful assistance than you are giving me. You, sir, are the first past president to receive the modern certificate, the product and generous gift of Lt. Col. Peter W. Hunter and his talented colleagues. It bears the signature of our Honorary President, His Excellency the Governor General, and it records your period of service to the Club. I present it to you on behalf of the Board of Directors and every member of the Empire Club of Canada.

Sharing with Mr. Macdonald in this honour is Mrs. Macdonald for she contributed without recognition in the devotion and preparation he put into his office as President. Today we recognize you, Mrs. Macdonald, by this show of our affection and gratitude.

* * *

Mr. Macdonald eloquently and briefly expressed the thanks of himself and Mrs. Macdonald.

DR. CRANFIELD:

We, of this traditionally designated men's club, wish to recognize all the wives here today and their children and guests. None needs reminding that the enjoyment of these weekly meetings is not the result of a spontaneous occurrence. I could go through the complete alphabet to express my thanks appropriately to all, but instead, I will use only the letters G, H, I, J, K and L as symbolic of all. G for Gillingham, H for Hendy and Hoffman, I for Irwin, J for Jackman, K for certain secretaries and L for Leal and Legge. (I had to mention these specifically to draw attention to the secretaries in their various offices including 200 Bay Street.) Contrary to the Women's Liberation movement all of these lovelies collectively and individually pleaded not to be presented in name or person. I shall respect their wishes but extend to them a special warm and enjoyable Christmas.

(The choir under Mr. Lloyd Bradshaw had quietly taken their places facing the Head Table and Dr. Cranfield continued:)

Your Honour, the Very Reverend Doctor Howse, guests with me at the Head Table, Ladies and Gentlemen, Christmas without Carol singing is beyond consideration. This year we have come together with the expectation of pleasure and fellowship and we have every reason to experience fulfillment.

The University of Toronto Concert Choir is a source of delight to music lovers wherever both are brought together. This is most certainly true since their re-organization in 1968 under the direction of the now world-famous Lloyd Bradshaw. Mr. Bradshaw, organist and choirmaster at St. George's United Church, has, in the past ten years, taken another group, the famous St. George's Youth Choir, on tours to Britain, Europe and across Canada. Since he conducts and teaches at the University of Toronto Faculty of Music, lectures in Choral Techniques and conducts a number of choirs and choruses of all ages it was difficult for him to select which of these would be with him today.

We are most fortunate that the University of Toronto Concert Choir was available and was his and our choice. This concert chorus of 75 mixed voices have performed under the direction of Dr. Boyd Neel, Professor Robert Rosevear and Victor Feldbrill and of course many times have been directed by Mr. Bradshaw. They are in demand and have performed in most Eastern cultural centres of Ontario and Quebec and many times in concert with outstanding symphony orchestras. They have a schedule ahead of them that nearly prevented their being free to be with us today. I understand that all the members of the Concert Choir are students in the Faculty of Music at the University of Toronto. Rather than say more I shall leave it to you to judge and to enjoy. If Mr. Bradshaw invites you to join with the Concert Choir I know you will sing out! Here then is the University of Toronto Concert Choir as directed by Mr. Lloyd Bradshaw.

* * *

(The Choir sang and in their repertoire the audience listened first to Dr. Healey Willan's Short Mass. There followed familiar carols in which Mr. Bradshaw directed the audience as they joined the famous choir.)

DR. CRANFIELD:

I know you would want me to thank the choir and Mr. Bradshaw. I shall do so by quoting from an earlier occasion when the great Dr. Healey Willan, whose music you have just been enjoying, Canada's most famous musician, at a Christmas party of the Empire Club on December 19th, 1940, said this: "One of the chief characteristics of the English carol was that you first of all had a very good meal," (which I assure you Mr. Gordon Cardy our innkeeper we have had!) "At the close of the meal the itinerant singers joined the party and entertained the guests. They sang some carols with a refrain to it, and if the guests there assembled did *not* know the entire carol, they did *know* the refrain, and so all joined in." We have done all these things and had great fun thanks to the ladies and gentlemen of the University of Toronto Concert Choir and to Mr. Lloyd Bradshaw. I ask you of the audience, isn't it so?

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The meeting is adjourned.

JANUARY 7, 1971

Britain in 1971

AN ADDRESS BY His Excellency Sir Peter T. Hayman,
K.C.M.G., C.V.O., M.B.E.,
BRITISH HIGH COMMISSIONER TO CANADA

Ladies Day

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Dr. Ross K. Cameron, D.D., C.D.

DR. CRANFIELD:

Your Excellency, Reverend Sir, Mr. Prime Minister, Ladies and Gentlemen it is my honour on behalf of the Empire Club and the Royal Commonwealth Society to welcome you to what I understand is the occasion of your first public address to a Toronto audience. It is always a pleasant task to rewrite an introduction of a speaker because he has received honour and recognition by the Queen. In my brief term of office this is the second time this has occurred. The earlier occasion was when Mr. Charles Hardie became Sir Charles Hardie. I was delighted therefore to be advised on New Year's morning as we were paying our respects to the Lieutenant Governor that you, sir, were on the Queen's Honours List. All present I am sure join in our congratulations. Our speaker, who shares his natal day with Mrs. Cranfield, establishes by that alone that he is a person of great gifts and a man of destiny. (I will give you the day, June 14th, but you would not wish me ungallantly to reveal the year?) He was educated in a prep school where his father was Head Master and later at Stowe in Buckinghamshire. It is a new but very excellent school, as you might well expect, where birching may not be a practice. There may have been some special occasions in which the axiom "spare the rod and spoil the child" was tested. The result, in any event, came out to everyone's satisfaction. He completed his formal education at Worcester College, Oxford and has been a career diplomat of unprecedented success ever since. He was released from a Home Office appointment in order to take up arms in World War II, so his life has been entirely in Government Service in war and peace. This has been spent in the Ministry of Defence, with N.A.T.O., with the British Embassy in Belgrade, Malta, Baghdad, New York and Berlin. In the latter post he was the Minister. In 1966 he was appointed Under-Secretary of State in the Foreign Office. This responsibility was enlarged in 1968 when our guest was promoted to Deputy Under-Secretary of State in the Foreign and Commonwealth Office when these were amalgamated. There is much more I could say in this introduction but this modest man has requested brevity by these words, "Please make this bit short."

His recent appointment to succeed Sir Colin Crowe as our British High Commissioner is one for which he came prepared; for his deputy undersecretary post at the Foreign and Commonwealth Services held him responsible for policy both in North America and in the Middle East. By his wise counsel and skill at negotiation, he served the British Government with distinction.

We share the advantage of friendship, he and I, with the Senior representative to Europe of one of Canada's great railways. Our mutual friend advised me of his Excellency's appointment and was observant enough and gallant enough to suggest that we should declare this to be a Ladies Day in order to give ourselves the privilege of meeting Lady Hayman whom my informant advised is (quote) "Absolutely charming," (end of quote). I am pleased indeed that it was possible because of some high-placed assistance in British-Canadian relations here at Toronto to see his suggestion followed and I am confident that I speak for you all.

Our speaker has permitted me to prepare you for today's topic by his disclosure that it was to be about Britain's role in the world of today. In anticipation of the Heads of Commonwealth Governments meeting in Singapore in Mid-January, we have all been anxiously concerned that the Commonwealth will come out of it stronger and not destroyed. The very purpose of the Empire Club is to (quote) "promote the interests of Canada and the British Commonwealth by the consideration and discussion of subjects and events relating thereto" (end of quote).

So, today's meeting touches on a subject intimate and important to all of us here. We are pleased indeed to welcome your Excellency to his first ambassadorial post and I present to the audience:

His Excellency Sir Peter Telford Hayman, K.C.M.G., C.V.O., M.B.E., British High Commissioner to Canada whose topic is: "Britain in 1971."

SIR PETER HAYMAN:

Thank you very much indeed, Dr. Cranfield, for that very kind and warm introduction to me. You said two other things to me: (a) I should be about twenty-five minutes; and that I will endeavour to be; and (b) that I should stick close to the microphone. That I will try to do but I have a habit of walking around when I feel passionately about something and as a matter of fact I feel passionately about Anglo-Canadian relations.

Sir, it is indeed a great honour to appear before the Empire Club and the Royal Commonwealth Society in the presence of the Premier of Ontario. It is a great pleasure and honour that he should be here with us.

Empire-Commonwealth. I personally hope that none of you, and of course you don't, wish to have any kind of embarrassment about those words. It seems to me that the historical associations between Britain and Canada, which are all an integral part of the Commonwealth, and the fact that the Empire (although we may be greatly daring and call it the "British Empire") has in fact brought great numbers of people along the road to freedom over the years and so I don't think that any of us should perhaps join with the rather modern fashion to raise eyebrows about those words and I hope we won't.

Ladies and gentlemen, I am very conscious as I stand here of my predecessors, all of whom, I think, when they first come to Toronto have addressed this audience. I think particularly of that exciting person Joe Garner. I think also of that very lovable man Lord Amory, who used to have a phrase when he was in Ottawa. It was described as "going to Toronto." That meant he was in fact going to get on a Trans-Canada bus, look in on Toronto and then go all over Canada and get to know probably more Canadians than any other of my predecessors. And then there is my immediate predecessor Colin Crowe, who was almost my closest friend at school, although I did stand rather in awe of him then and continue to do so since he became head of personnel department and therefore responsible for our future. As head of personnel department he was wise enough to appoint himself here but alas for all of us for only two years. So it is following those people that I want to address you.

My last visit is very, very sharply etched in my memory and it was when I was following my then boss, Michael Stewart. We were all air sick in the airplane coming down from Ottawa and you may not have realized it, those of you who listened to Mr. Stewart, but he had sat in the airplane waiting patiently to dictate the last version of his speech to somebody or anybody and found no one to dictate to and in fact he prepared his final speech just before he addressed you. Then there was that little matter of Biafra which he, of course, thoroughly enjoyed dealing with, as I am sure you all recognized.

What was extraordinary, being here in 1969 and coming here again at the end of last year, was the fantastic changes which took place in Toronto even in that year. You have been described, rightly I think, as the fastest growing city in North America and this is very clear to outsiders like myself who come here.

When I was here at the end of the year I had what was to me a very exciting discussion with Mr. Robarts who told me very clearly and gave me very clear instructions to bring as many visitors, British visitors – interesting visitors – to Toronto as I possibly could. That is what I will endeavour to do for you, sir.

We were also very kindly received at that time by His Honour the Lieutenant-Governor and as I visited him when I was with Mr. Stewart he kindly showed me once again that wonderful collection of portraits in Government House, which is perhaps the best collection of beards and whiskers in North America. A very, very fine collection of portraits.

Then we were kindly received by the Mayor in your Town Hall, which I think is a terrific building. The only pressure I think that we put on the Town Hall was when Mr. Samples and I went to the elevator together and the elevator was groaning upwards bearing the two heaviest men in North America.

What happened during my very short time? I have been here these two months and they have in fact been very busy, exciting, anguishing months. The two things which stand in my memory, of course, are the kidnapping and release of Jasper Cross and the very sad death of Pierre Laporte.

On that I would simply say this, that we accepted and agreed with the way the Canadian Government handled this affair and we have a great regard for the professional way in which the police rescued Jasper. I had a letter from him a day or so ago. He is, as you probably know, having a very well-deserved holiday with his wife in Switzerland and he was honoured by Her Majesty in the New Years honours. I think that he is a remarkable man and I think that the shared anxiety of that time – and not the first time that Canada and Britain have shared anxiety and sorrow – and I think of two world wars and many other occasions; I believe that the affair of Jasper Cross and the kidnapping thereof and all that went with it may and will bring our two countries closer together. I think this is terribly important.

The second fact is the visit of Mr. Heath. Alas it was for only a very short time and alas combined with a visit to another country. I know that Mr. Robarts feels, and I certainly do, that visits by British Ministers ought to be more exclusively to Canada than they sometimes have been in the past. Mr. Heath's visit was in fact a great success. He got on very well with Mr. Trudeau. Both, I think, realized that the other was a realist, a fairly tough realist. The foreign policy of both might not be the same. You don't see eye to eye with us on all issues (and I am going to come to that in a moment) and we don't see eye to eye with you on all issues but both I think recognize in the other a firm realist both in foreign policy and in home policy. I think Mr. Trudeau rather liked the style of government of Ted Heath as he came here and as his government is unrolling in Britain.

Now let me say a word about what is happening to your old friend and close relation Britain in 1971. I say "old friend" but of course we are not all old. Really in many ways I suspect that we are younger than you. What has happened in this last twenty-five years to Britain? Well, let me remind you all of a few of the things:

(1) We have brought millions of people onwards toward freedom and liberation; all the people who are going to be assembling in Singapore, and many others.

(2) We have devised the most tremendous social security system the world has ever known.

(3) As a result of what we did with you in the war we lost a great deal of our foreign investment but through our

efforts we have replaced that and more than replaced that by our export drive.

(4) We have been one of a small group of countries (you indeed have played a part there too) trying to solve all the perplexing problems which have vexed the world in the last twenty-five years.

(5) We have played no mean part, I think, in providing aid for under-developed or the developing countries.

Those, I think, are four or five things which Britain is about.

You may remember what Dean Acheson once said. Dean Acheson was a friend of Britain but often a critic of Britain. That is because he looked like an Anglican clergyman and he was anxious not to appear to be too much British. You remember that Dean Acheson said we had lost an Empire and not yet found our role. I believe that he would say that we have indeed found our role and very much so.

What is our role? What is the role of countries of our size, your size and our size, in 1971? Is it possible that perhaps in the seventies the two super powers may in a sense cancel each other out or reach a stalemate and that there will be a great opportunity for your country and my country to work together with our family relationship and achieve very much a position of influence and primacy in the world? I believe this to be so because your old friends in England are still the same country you know. We still have the same sort of ingenuities, technological ability. We have solved the pollution problem, or very largely so, which vexes so many people here. I think we have perhaps the same kind of governmental skill or Machiavellian low cunning, which ever you like, that we have always had.

We have contacts all over the world, some inimical, some friendly, but they are contacts and these, I believe, are of great value in the world. I saw in a newspaper the other day, not a Toronto newspaper, a statement that going to Britain was like rummaging in an old attic. All I would do is change a certain phrase used by a certain famous Englishman and say "Some rummage, some attic."

This is Britain in 1971 that I have sought to paint for you. Now I want to talk about one or two of the problems which face us. It would be very foolish if I came and addressed an audience like you and if I just gave you a certain amount of good feeling and a general kind of platitudinous blah. I have no intention whatsoever of doing that. I want to talk about two of the main problems which face us.

The first of them, of course, is Britain and Europe, as I know this poses problems for our Canadian friends. Why are we going to try and get into Europe? There are two reasons. The first political, the second economics. Political: we have found, perhaps rather late, that it is absolutely essential that Western Europe, the cradle of most civilizations and the place from which the families of almost everybody in this room came from, that this voice is not loud enough in the councils of the world. We have felt that we should join in to make that voice a little louder. We are as a matter of fact Europeans, whatever certain people in the world have said. They have called on us, goodness knows, both you and us, and we have been involved when there have been tyrants, whether they have been Napoleon or Hitler or Kaiser. They are quick enough to recognize that we are Europeans then. So one of those reasons is political.

The second reason is economic. Here is this fantastic group in Europe of nearly three hundred million people, a highly sophisticated market getting together, and we in Britain (I want to say something about Canada in a moment) we in Britain want to be part of that so that our industry can thrive and prosper.

I don't know whether anybody listened to the very excellent CBC programme last night with Dick Crossman. Some people are inclined to doubt whether people in Britain really want to go into Europe. Let me say that there are people both on the right and on the left who are hesitant about that; people of my own generation. There are those people on the left who think that they may come under some Conservative thralldom and people on the right who don't like foreigners.

You remember that character in *Life and Cold Climate*, Uncle Matthew. The ladies will forgive me if I say this. He used to say, "Abroad? Bloody!" Those are the kind of people who may be hesitant about our going into Europe. All the young people, my own children, the young businessmen, the young professional men, the young technicians, feel that we certainly must go into Europe or it will be no good for the future.

Now what about the relationship with you? Your attitude on this was very well and plainly stated by Mr. Jean Luc Pepin the other day and I would simply like to say something about Canada's attitude to our going into Europe.

First of all we are quite determined, and this is very much Mr. Heath's own view as the new Prime Minister, we are quite determined to consult you at all stages and the visit of Mr. Pepin, the visit of Mr. Sharp, the visit here of Mr. Heath and the forthcoming visit in March of Mr. Rippen are all examples of very close ministerial consultation between Britain and Canada on this important subject.

The second point I would like to make is that we will in Britain be much better political and economic partners for you in Europe, strong in Europe, than if we were outside.

The third thing is we are determined if we go into Europe to maintain our position as a world political and economic power and therefore without any doubt we shall make the European community much more outward looking than it is at the moment.

Fourth, after 1973 when we hope we may get in, when the arrangements are finally made, there will be quite a long transitional period which will make it easier for our friends outside and then quite a high percentage of particular items will not be subject to tariff, around thirty per cent. We are trying to negotiate with you for duty free quotas for another twenty per cent. The remaining fifty per cent after all the duty is not going to be very high. I know that there are agricultural problems but the duty is not going to be very high.

Ladies and gentlemen, I commend to you the European community 1971 as an opportunity for Canada. I know your own trade with the community is rising. Here is this superb market of three hundred million people, in a way, waiting for the best business operators to take advantage of them. I think it is a tremendously exciting situation.

Now I want to say just one further word about Europe and European defence. A great many problems face us in European defence. There is the great problem of East-West, relations whether we should in fact have a European Security Conference, the question of the future of Berlin, the question posed by recent events in Poland. A lot of these problems were brought up at the last NATO Conference.

On that I would say just one word. Anybody who served in Berlin, as I have done, will remember and realize quite sharply that the largest concentration of conventional military might in the world still exists between Berlin and the border of West Germany. Those who have been inclined to take a somewhat relaxed view of the Soviet should, I think, bear that fact in mind.

Now I want to come to another issue. You, sir, have talked about the Singapore Conference and it would be right for me to discuss the Singapore Conference and some of its aspects very briefly in this speech. First of all, there is no question about our tremendous attachment to the Commonwealth and our wish, which Mr. Trudeau made clear when he talked to Mr. Heath, that the Singapore meeting should be about a lot of serious Commonwealth problems and not just concentrating on one or two highly evocative issues.

I do think this is terribly important and I do think the background of this must be borne very closely in mind. All of you here whose stock-in-trade is the Empire and Commonwealth need not be told that this is the one group left in the world, which in fact straddles geographical areas and straddles ideological barriers. No other group in the world does this. So if we think of history and sentiment that is terribly important but if we are thinking of this world, January 1971, we must remember that.

Mr. Mitchell Sharp from time to time talks, wisely if I may say so, about the dangers of polarizing areas of the world into geographic boundaries: North America, Eastern Europe, Western Europe and so on. Now the Commonwealth is the one organization which can prevent that happening and it is terribly important that it should be preserved intact.

Now let me come on to the problem which will be among the many which are discussed. I am talking about the Simonstown agreement and the provision of maritime force of arms, or whatever it is you like to call them, under the Simonstown agreement.

On that I would like to make three or four quite brief points. First, I would like to remind you that the British Government and British Ministers have not reached a final decision on this. They have been consulting their Commonwealth friends. The latest person with whom Mr. Heath discussed this very fully and very realistically was Mr. Trudeau. There are going to be final consultations and discussions in Singapore.

The second point I want to make is: we detest apartheid. Make no mistake about that. We feel that there is really no future for South Africa with a system of apartheid and we have never hesitated to say that to the South African Government on numerous occasions. It is both a cruel and also an extremely stupid policy. We have said this again and again.

Thirdly – and this is realized, I think, generally through the world – nobody can call our Prime Minister in any sense a racialist. Those of you know a bit about the last general election will realize the personal problems which faced Mr. Heath on those kind of issues and he is the last person that you could regard as a racialist, a fact which, as I say, is generally recognized.

The fourth thing I want to say is to say a word about the strategic and the defence problems involved. We have talked about the importance of Indian Ocean defence, the defence of our trade route, since the Suez Canal is temporarily closed. The Cape of Good Hope route is much more important.

We have said that a threat, or potential threat, or a potential influence, is placed on those sea routes. Anybody who has dealth with the Soviet Union – and it so happens that I have been dealing in the Foreign and Commonwealth office most recently with the affairs of the Middle East but before that with the affairs of Britain's relations with the Soviet Union – nobody who ever dealt with the Soviet Union should underestimate the forcefulness and drive of that remarkable country. The Soviet Union has, of course, moved in a big way into the Middle East for the last two years and spread down into Aden and into the Indian Ocean. Now this poses a threat – a threat, an influence – it moves in that direction.

Those, I think, are the points I would like to say to you. I would like to say a word about relations with South Africa. There really are two ways of dealing with South Africa. First there is treating her and saying "We dislike your policies so much we will treat you completely and utterly as an outcast like Red China was until comparatively recently." I think I would share your view about Red China. We get Red China into the U.N. and get it kicked around in the same way as you and we and the United States of America have been kicked around.

We believe in the second way of doing this, which is not isolating the country, but pointing out the errors of her ways to her but remaining in touch with her. We believe that is the right way. Trade with her as you do and when it comes to a question of honouring an agreement at least consider it against the background of the things I have described whether that is a good thing to do or not.

Sometimes when I talk to my African friends in Ottawa they say this is going to throw the African members of the Commonwealth into the arms of the Soviet Union. Ladies and gentlemen, the Soviet Union are there in the Indian Ocean already as a matter of fact and I believe there are quite a lot of Africans who dislike to be too close friends with the Soviet Union.

Now, sir, I think that is all I would say on that particular subject. My time is passing on and you were fairly precise in your instructions to me about the length of time. I wanted to say one word about Britain's economy – the Heath Government's economy. There have really been three or four points which Mr. Heath has put emphasis on. First of all, on letting much more of the cake, the national cake, go to the private sector. Secondly, a cut in income tax as a stimulation for the businessman and a cut in corporation tax as a stimulation for the businessman, some decrease in government expenditure and less interference with private enterprise in all its forms. Mr. Heath voted in the second reading of the International Relations Bill just before we left for Canada. It is the first really major attempt to try and get into industry and into industrial relations some reforms which are badly needed.

We, the Anglo Saxons, perhaps to some extent invented the trade union system; but in Britain it has got old and a bit decrepit in some ways and management may be the same. Here is Mr. Heath and the new government making a strenuous attempt to bring the trade union movement in Britain more into keeping with the nineteen seventies and I hope that this will be successful.

Finally this is what I would like to say is the most important thing: Anglo-Canadian relations. Perhaps that is not a very original remark to end up on but to me it is terribly important because I think for an Englishman, or a Briton, this is the most important post, the most exciting post that you could possibly come to in the Foreign and Commonwealth service. I think it is terribly important that we should get Anglo-Canadian relations moving fast and furiously in the way that I have tried to describe. Pressures may be put on them as we try to get into Europe and you have your own special links with United States. I think this is a very true and I think that even a greater danger than that is despite all our family ties and historical ties (and I speak in this great City of Toronto, of course, with special emphasis on all that) despite all that I fear a danger of drifting apart by these two countries who are such old friends. That, I believe, would be a great tragedy. I think we can base our relationship for the future on a realistic background. I think that you need us because I think you want a friend in Europe. You want European friends. Who better than your old friend in Britain? I think that we need you because even if we go into Europe we certainly do not want to be a sort of land-based European power. The Europeans don't want us as that. The Europeans want us as a country with world-wide ties and therefore as one of the most important of these worldwide ties we want to maintain and build up a special relationship with you.

Sometimes one hears about the old concept of twin pillars of the Atlantic. I myself don't much favour that as a concept. I think that we have a relationship of very long standing, a very, very important relationship to us, make no mistake about that, between ourselves and Washington, which is a very, very firm relationship. You have a very firm relationship with the United States of America. What I am trying to say is that a relationship between Britain and Canada is certainly not at the expense of our effective relations with Washington. It would be quite wrong to say that but I believe and I think the United States government would agree with this, I believe that the British-Canadian relationship can be increased and strengthened and make more powerful as a complement to our effective relations with Washington.

How do we set about doing this apart from all the millions of personal ties which exist here? Well, I believe that we do it by having as many visitors as possible. Therefore, I shall carry out the instructions, to the best of my ability, that Mr. Robarts laid upon me. I believe we should have ministerial visits; I believe we should have as many business visits exchanged and Parliamentarians and cultural visitors as possible. Some of you met Lord Fulton, the Chairman of the British Council, not too long ago. I want to get as many visitors as possible moving between Britain and Canada and between, of course, Britain and Toronto. Here you have Mac Samples, my old colleague, and somebody who I know is absolutely dedicated to the same views as I am.

Ladies and gentlemen, let me end on this note: we do tend from time to time as people to say, "Well, you know this is a fine thing that has gone on in the past, a historical tie and close links and the sentiment about it is very important." The fact that we have got friends, the fact we have got a grandmother in Renfrewshire is extremely important. In addition to that I believe that we should build up consciously a realistic link between Britain and Canada which is based on hard realities, on your future in 1971 and our future in 1971, and if that is done I see no reason at all why a special relationship between Britain and Canada should not be as important and as forceful and as valuable in the world as our relations always have been in the past.

Thank you very much, sir.

The gratitude of the Club was expressed by Mr. John Hall, Chairman, The Royal Commonwealth Society.

JANUARY 14, 1971

Challenges to the Rule of Law

AN ADDRESS BY The Hon. Mr. Justice
Samuel Freedman,
JUDGE OF THE HIGH COURT OF APPEAL,
MANITOBA

CHAIRMAN The President,
Harold V. Cranfield

GRACE His Grace the Most Reverend Philip
Pocock

DR. CRANFIELD:

Your Grace, Guests of the Head Table and gentlemen: It is my privilege to welcome our speaker to this forum for a return engagement. Ten years ago when he last favoured us, he had been in his present post only a year, that is as Judge of the Court of Appeal in Manitoba which I am advised is the highest Court in the province. He had however been a Judge of the Court of Queen's bench as early as 1952.

At the age of three in 1911 his parents brought him from Russia to Winnipeg. Canada has been most fortunate that this family migrated here, for he is but one of seven siblings all of whom have brought honour to the country of their adoption. Perhaps best known of the remaining six is the famous Max who has distinguished himself in the field of journalism.

Our speaker's formal education was achieved entirely in

Winnipeg where his first academic triumph was to be an Honour Arts Graduate well before coming of voting age. Quickly he obtained his law degree and began at once to repay his intellectual debt by becoming a lecturer at the Manitoba Law School.

He was selected Chancellor of the University of Manitoba in 1959 and has only given up this honorary post in 1968. In addition to his earned degrees his excellence has been recognized by nine universities who have bestowed honorary degrees upon him. The doctor of laws is his from the Universities of Windsor, North Dakota State, Toronto, Manitoba, Brock, McGill and Queens as well as the Hebrew University of Jerusalem to which he serves as a member of the Board of Governors. He has one other degree of which he is justly proud Doctor of Canon Law from St. John's College, Winnipeg. He "took silk" eleven years after being called to the bar, which in 1944 was as a King's Counsel.

There are few positions of honour in academic law that he has not held. For ten years his wisdom was especially exercised on the problems related to the Chairmanship of the Rhodes Scholarship Committee of Manitoba. Presently he is a student in "Advanced French instruction for Judges" which is being held in Quebec City. We are unusually grateful to him for preparing this address for us in English and for playing truant from School. To-day he picks up the gauntlet thrown down by those who would challenge the rule of law. It is with great pleasure that I now present to you The Honourable Mr. Justice Samuel Freedman, his topic: "Challenges to the Rule of Law". Mr. Justice Freedman.

MR. JUSTICE FREEDMAN:

I should like to address myself today to the theme, "Challenges to the Rule of Law". I confess at once that I speak as a partisan, as one with a commitment to the free society; as one also who believes that the keystone of such a society is the rule of law.

What do we mean by the rule of law? The phrase embodies many ideas: In its best, its most ideal sense it implies a government of laws and not of men; it rests on the concept of equal justice for all; it springs from an appreciation of the worth of the ordinary individual and of the dignity of human personality; it aspires towards that higher morality in which law and justice will be one; and it recognizes that the courtroom, no less than parliament itself, remains the citadel and the sanctuary of our democratic faith.

But we live in a time of change, when established institutions are subject to critical scrutiny and frequently put on the defensive. The law itself has not escaped from such challenge and such attack. And that raises some very pertinent questions. How do we bring about a change in the law? What methods are permissible, and what are impermissible? How do we respond to a morally unjust law? Is it ever appropriate to disobey a law? The last question brings us face to face with the problem of civil disobedience, a phrase which invokes memories of John Milton denouncing England's law for the licensing of books by an official censor, of Thoreau refusing to pay a general tax to a government that countenanced slavery, of Mahatma Gandhi peacefully refusing to comply with laws in order to bring an end to British rule in India, and Martin Luther King openly but peacefully disobeying laws that deprived Negroes of their rights. Civil disobedience represents one form of challenge to the rule of law. In a moment I shall look at it, to see if it is ever legitimate, and, if so, within what limits.

But first I wish to comment upon the permissible and the impermissible methods for bringing about a desired change in the law. A free society acknowledges the right of dissent. Indeed it places a high value upon it, recognizing that it is not always the majorities that hold the keys to progress. The dissenter has several avenues open to him through which he may express his dissatisfaction with an existing law – by speeches, by circulation of petitions, by picketing (which has been described as a form of symbolic speech), by the organization of peaceful marches, and, ultimately, by the ballot, to put in office new lawmakers. All these are legitimate courses he may take.

But there is no right to seek change by unlawful means. If I were to attempt to classify that kind of action in a few words I would describe it as conduct that wrongfully interferes with the rights of others. It may take several forms – trespass, illegal seizure and occupancy of premises, intimidation, personal assault, and organized violence. Events of recent years have made us all familiar with these forms of conduct. Admittedly violence is not a new phenomenon, even though recently we have witnessed manifestations of it in new and diabolical forms. But whether new or not, and wherever exhibited, violence is as wrong as it is dangerous.

Let me turn to the question of civil disobedience. There are two propositions which I put before you. The first is this. As a member of the judiciary who has a deep respect for law and the judicial process I say, simply and sincerely, that laws are to be obeyed. I do not counsel or advocate disobedience to law. Having said that, I must add the second proposition. There have indeed been instances in human history – not many but enough to be significant – in which disobedience to law has proved of benefit to law and to society. Is that a paradox? Perhaps so. But it's true. Who will deny that the cause of mankind was advanced by the deliberate refusal of Martin Luther King and his followers to obey the "white only" laws of the southern states? Dr. King openly declared that many Negroes would disobey "unjust laws". These he defined as laws binding on a minority but not binding on the majority. Civil disobedience in the classic tradition has two distinguishing characteristics. First, it is always peaceful; and, secondly, those who engage in it must be prepared to accept the penalty arising from breach of the law. The purpose behind their breach of the law is to expose it as immoral or unconstitutional, in the hope that it will be repealed or changed.

But it is important to note what is *not* civil disobedience but which frequently tries to masquerade under that name. Sometimes individuals or groups participate in demonstrations involving breaches of public order, if not actual violence, and then seek to label their conduct as civil disobedience on the theory that they were protesting against some form of government action, say the war in Vietnam, or some such thing. Coupled with that stand is usually a claim for immunity from prosecution. The short answer to this is that they are wrong on both counts. Non-peaceful conduct can never qualify as civil disobedience; and even conduct that does so qualify confers no immunity from prosecution. Indeed the very opposite is the case. The person who commits an act of civil disobedience expects that the law will take its course and that he will have to suffer its penalty.

On this whole subject of civil disobedience I am bound to say that there is only a narrow range within which it may legitimately operate. Its conditions must be accepted and its consequences faced. I may add that at best it is a perilous adventure for individuals to choose which laws they will obey and which they will disobey. In the words of a former American judge: "Thoreau was an inspiring figure and a great writer; but his essay should not be read as a handbook on political science."

I move on to a second challenge to the rule of law. I call it courtroom disruptions, for that is the form it takes.

Is this something new? In the form in which it is manifested, yes. Disruptions of court proceedings, rare though they have been, have not been unknown in legal history. But they have usually resulted from impulsive and thoughtless acts on the part of disgruntled litigants.

Thus there was the case in England of a dissatisfied litigant who was committed to jail for six weeks for throwing tomatoes at the Court of Appeal. It is said that he was released after 15 days because Christmas was coming and, one may legitimately assume, his aim had been poor.

Then there was the incident, probably apocryphal, concerning Lord Coleridge. An irate litigant picked up a book from the counsel table and hurled it at Lord Coleridge. His Lordship quickly ducked, then raised his head, and said, "Had I been an upright judge I would have had it!"

But I am thinking of courtroom disruptions of a different kind. These are deliberate, and their aim is either to frustrate the normal working of the judicial process or, in some cases, to publicise a political cause, perhaps even one having no relation whatever to the case before the court.

An illustration of the latter type occurred in England last year. During the course of a trial in the High Court before Mr. Justice Lawton and a jury, a group of Welsh students from the University at Aberystwyth suddenly invaded the court. "They strode into the well of the court. They flocked into the public gallery. They shouted slogans. They scattered pamphlets. They sang songs. They broke up the hearing. The judge had to adjourn. They were removed. Order was restored."

Why did these students do what they did? They were demonstrating for the preservation of the Welsh language and protesting against an order, harmful to their cause, that had been made by a Welsh court. Later in the Court of Appeal Lord Denning would be heard to praise their motives, albeit to condemn their methods. "They wish," he said, "to do all they can to preserve the Welsh language. Well may they be proud of it. It is the language of the bards – of the poets and the singers – more melodious by far than our rough English tongue."

I pause only to note that Lord Denning was not then thinking of the old ditty:

"Not far from his dwelling
From the vale proudly swelling
Rose a mountain, its name
You'll excuse me from telling.
For the vowels made use of
In Welsh are so few
That the A and the E

The I, O and U
Have really but little
Or nothing to do,
And the duty of course
Falls the heavier by far
On the L and the H, the N and the R."

Well, although aware of the praiseworthy motive of the students, Mr. Justice Lawton quite rightly acted that very day to deal with their flagrant contempt. Eight of the students who agreed to apologise were fined £50 each and in addition were required to enter into recognisances to keep the peace. Fourteen others who, as a matter of principle refused to apologise, were sentenced to three months in prison. They immediately appealed and, please note, their appeal was heard just one week later; for the Court of Appeal put aside all other cases in order to deal with that one, since it concerned the liberty of the subject.

Hear now Lord Denning in the Court of Appeal:

> "The course of justice must not be deflected or interfered with. Those who strike at it strike at the very foundation of our society. To maintain law and order, the judges have, and must have, power at once to deal with those who offend against it."

And on the subject of the sentence:

> "The appellants here no longer defy the law. They have appealed to this court and shown respect for it. They have already served a week in prison. I do not think it necessary to keep them inside it any longer. The appellants are no ordinary criminals. There is no violence, dishonesty or vice in them."

The judgment of the Court of Appeal was that the students be then released from prison, but that they be bound over to be of good behaviour, to keep the peace and to come up for judgment if called on within the next 12 months.

Quite different is what occurred in the trial of the Chicago seven. There, you will remember, we had the spectacle of unruly defendants deliberately hurling insulting epithets at the judge. The tactics were designed to be, and in fact were, disruptive of orderly judicial process. What should be done in a case of that kind?

The situation presents a conflict between two principles. On the one hand, every accused has a right to be present, to hear the witnesses, and to make full answer and defence to the charge. On the other hand, a judicial trial is to be conducted peacefully and with dignity. Here in Canada we have made provision for dealing with a possible conflict between these two concepts. Our Criminal Code expressly provides that

> "The court may . . . cause the accused to be removed and to be kept out of court, where he misconducts himself by interrupting the proceedings so that to continue the proceedings in his presence would not be feasible."

In such circumstances the court, although not obliged to do so, might give consideration to appropriate alternatives, one example of which could be to make the proceedings available to the accused in the form of two-way television.

In Chicago, however, the method resorted to was to bind and gag the unruly accused. There may be worse methods of dealing with the problem, but I am puzzled as to what they might be. I am afraid that what occurred in Chicago, on both sides, will not be recorded as America's finest hour in the administration of justice.

I share Lord Denning's view that the course of justice must not be deflected or interfered with. Admittedly the power to punish for contempt of court should be sparingly used. When that power is exercised it is done so, not to vindicate the personal dignity of the judge (which is not the important consideration at all) but rather to uphold and protect the due administration of justice. I firmly believe that the maintenance of the rule of law requires that unruly activists or courtroom disrupters – litigants, accused, counsel, or strangers – be dealt with firmly, promptly, and fairly; as was done with the Welsh students in England, and as assuredly we should do here.

I turn to a third challenge to the rule of law. Let me call it violence for political ends. It may take a variety of forms. They are all familiar to you, and I need not linger upon them. Their grim catalogue includes blowing up of buildings, planting bombs in post boxes, or perhaps in a supermarket timed, of course, to explode at the busiest hour, hijacking of planes, sometimes with the passengers held to ransom, political kidnappings, and the ultimate crime of murder itself.

Events in Canada, arising from the illegal activities of the FLQ, have given us a special awareness of the dimensions of terrorism. The crisis of last October has been and continues to be the subject of active discussion. Many are the observations that can be made about it. Let me make three brief ones now.

The first is this: It appears to be relatively easy to perpetrate a successful political kidnapping. Since September, 1969, in a period of 16 months, there have been a total of 18 of them throughout the world. It is of course impossible to provide adequate security for every possible target. In the result many an honourable public figure must remain vulnerable to this form of attack.

Secondly, let us not be deceived into believing that the danger in October was not grave because the membership of the FLQ embraced only a few hundred persons, or at most, a few thousand. If there is any lesson we can learn from the tragic events of recent times it is that a small number of persons, determined in purpose and scornful of law, can inflict havoc and terror entirely out of proportion to their numbers. I do not know how one measures the power of instruments of terror in terms of human beings. I do know that one bomb, or one explosive, or one machine gun in evil hands is capable of subduing or immobilizing vast numbers of innocent and peaceful citizens.

Thirdly, let us not commit the error of thinking that because FLQ activity is directed towards a political end it thereby becomes legitimate and permissible. Criminal acts remain criminal even if politically motivated. This is a point that ought to be obvious, indeed axiomatic; yet in some quarters it remains a matter of doubt or dispute.

I do not wish to leave this subject without adding a word on the manner in which the October crisis was met. The debate upon it continues. But I suggest that after all the weighing, and pondering, and assessing, and analyzing are done, one thing remains, and it is the heart of the matter: What the FLQ did in the Cross and Laporte matter was a frontal challenge to the rule of law; and what Canada did by way of response was a courageous refusal to yield to that challenge. Canadian leadership in an hour of trial met the threat of terrorism head-on. In the language of *The Economist* of London, it declined to submit to an act of terror, and thereby did something to make terror a less credible weapon.

I am aware that the steps which were taken, even as a temporary measure, have been criticized as an invasion of civil liberty. Such criticism must be respected, and it must be seriously considered and assessed. But I venture to suggest that Canadian action proceeded from the necessities of the situation; that no other practical option was available; and that despite its unpalatable features, its broad effect was to vindicate and uphold the rule of law against a sinister threat to it that was unique in the Canadian experience.

One final word. Our revulsion against violence and terrorism should not blind us to the existence within Quebec of grievances that call for attention. Here let me make it clear that I am thinking not alone of Quebec but of Canada as well. Canadian confederation was a bold experiment carried through in the face of many difficulties. Now, after 103 years of development and growth, we confront the question whether Canada can continue as a viable entity. Do we want it to continue? Our answer to that question will reflect our conception of Canada, of what it is and, even more, of what it is striving to be. Let us think of a Canada made up of the two founding races and of many other ethnic groups, all making their contribution to the common treasury of Canadian citizenship; a Canada cherishing the ideal of democracy rooted in freedom; a Canada rejecting the dislike of the unlike and tolerant of everything except intolerance; a Canada in which justice based on the rule of law is honoured throughout the land. That is the kind of Canada to command the allegiance of us all. Let us strive with steadfastness and fidelity to bring that Canada nearer and nearer.

The gratitude of the Club was expressed by Mr. Allan Leal, Q.C.

JANUARY 21, 1971

Social Assistance, a Legal Right

AN ADDRESS BY The Hon. John Yaremko,
B.A., Q.C., LL.D.,
MINISTER OF SOCIAL & FAMILY SERVICES,
PROVINCE OF ONTARIO

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Robert Watt

DR. CRANFIELD:

In as much as The Hon. John C. Munro the Minister of National Health and Welfare has indicated that his arrival will be delayed I was able to approach the Hon. John Yaremko who graciously agreed to substitute.

I have known him for some time. In fact I am advisor in Rehabilitation to the department for which he is Minister. As you know he is a member from Bellwoods Riding in Toronto. He was of great assistance to a group to whom I am medical advisor in planning and completion of a residence for cerebral palsied adults. As it faces Bellwoods Park and thus is in his riding it is known as Bellwoods Park House.

Hamilton Central Collegiate is proud of him as an illustrious graduate. He was valedictorian and at the same time won the school key for interest in extra curriculum activities. He attended University College and obtained his Bachelor of Arts degree with scholarships in law. At

Osgoode Hall he was a distinguished medalist. He was an officer in the armed forces at the time he was called to the bar. He entered politics in 1951 and has continued to be successfully re-elected without fail ever since. When he entered the cabinet in 1958 he left his law practice – and was then the youngest member of the cabinet. Never without a portfolio he has continued in the cabinet ever since. In 1966 he accepted his present post, currently known as the Minister of Social and Family Services, and is, while still young, the most senior in years in the cabinet. For many years he has been a loyal and active member of the Empire Club of Canada.

I now give you the Hon. John Yaremko – a wonderful sport, having agreed to speak to us it was fortunate that he had a paper in preparation which he has titled "Social Assistance – a Legal Right."

Mr. Yaremko spoke.

(About half way through Mr. Yaremko's paper, at about 1.20 p.m. the Hon. Mr. Munro appeared in the anti room. There was a very brief delay and Mr. Munro was seated to the left of the chairman in the place that had been reserved for him.)

Mr. Yaremko continued and with the skill of an experienced politician compressed his remarks sufficiently that a ten-minute period was available to Mr. Munro. At the conclusion of Mr. Yaremko's remarks the chairman presented Mr. Munro in the very briefest introduction so that the maximum opportunity for the audience to share some time with the federal minister was made available.

MR. YAREMKO:

Canada has a standard of living which is one of the highest in the world. However, the term "standard of living" as applied to a country is an "average." It does not indicate the extent of variation in the lives, both material and otherwise, among families within the country. Over the past few years Canadians have become increasingly concerned by the fact that "pockets of poverty" continue to exist amidst general affluence, for while the majority of Canadians take luxuries for granted, there remains a minority which does not even take necessities for granted. Concern with the problem of continuing poverty is reflected in widespread discussion, and more important, in studies aimed at finding better methods for ensuring that everyone will have as a minimum, what are considered to be the basic necessities. Poverty, as we know, is a relative term, and its meaning varies from one period of time to another and from one country (indeed one region) to another. In relation to the resources and the standard of living which pertains, what is "low" in one place or time might well be "high" in another. In Canada and in Ontario we are indeed fortunate in this respect, and our general affluence contributes to our concern for those who have not shared in the benefits enjoyed by the majority. Government, universities, the public and the poor themselves are involved in trying to solve this problem.

One of the side effects of this activity is the development of new terms of which we should have clear understanding. The terms "Social Services" and "Social Assistance" for example are sometimes used in place of the stigmatized word "welfare". In fact, "Social Services" and "Social Assistance" have come to mean two quite different things to me. To give some examples:

Social Services which my department provides are illustrated by:

- Counselling for clients who are experiencing marital, child rearing, budgetary or other problems, to help them toward more successful social adjustment and economic independence.
- Rehabilitation for the disabled through such activities as counselling, training, and job placement.

Social Assistance, on the other hand, implies the direct provision of financial aid to persons who have little or no other source of income.

As concerns Social Assistance (to which I want to direct our attention), I believe that the ideal financial aid package must meet three criteria, and they are not necessarily listed in importance or priority.

(1) Fiscal responsibility – The effective and efficient use of tax dollars;

(2) Administrative simplicity – Methods of administration which are as simple as possible, consistent with the above, and which also show respect for the dignity and privacy of the applicant;

(3) Public acceptability – The programme receives the support and acceptance of the general public.

Let us examine several existing Social Assistance programmes to see how well they meet these criteria.

Family and Youth Allowances

The Family Allowances programme was started by the federal government in 1945 and added to in 1964, by the Youth Allowances programme. Currently these programmes provide monthly payments of –

$6	for a child under 10
$8	for a child aged 10-15
$10	for a child aged 16 or 17.

These are universal programmes. That is, payments are equally available to all families with children, regardless of the amount of family income.

It is estimated that about one-fifth of Canadian families are "poor", by certain definitions. Under the rules of the Family and Youth Allowances programmes the four-fifths of families who are not living in poverty, so defined, have an equal right to receive allowances. Since scarce funds are diverted to people who do not need them, do these allowances meet the criterion respecting the best use of tax dollars? I would suggest that a move toward selectivity would achieve a greater degree of fiscal responsibility.

The Family and Youth Allowances programmes do meet the criterion of administrative simplicity. Upon the birth of a child, the parents simply fill out and mail a form. Payments automatically begin and they continue until the child reaches the age when he is no longer eligible.

Generally speaking, Family and Youth Allowances meet the criterion of acceptance by the public. The welfare of children has long been accepted as being the ultimate responsibility of the community. Payments which are clearly made for the benefit of the children are unlikely to be strongly criticized. Criticism is even less likely when programmes are of universal nature, since everyone is treated equally and no one who receives the benefit is singled out. In light of current proposals those of you with children might ask yourself the question: Would you prefer to see the family allowances you now receive directed to those in greater need?

Old Age Security

The Federal Old Age Security programme is considered universal in nature. Any person aged 65 or more who meets the residence requirements is assured a monthly benefit of $80.00 regardless of whether he has a large income, extensive assets or no other income to begin with.

Even though the incidence of poverty is more than twice as high among the aged as among the reminder of the population there is, nevertheless, a substantial group (living well above the poverty line) receiving funds. Again I would ask a question, is it the best use of tax dollars to include in this programme every person over 65 even though some have been able to accumulate large resources. Is it fiscally responsible?

The Old Age Security programme certainly does meet the criterion of administrative simplicity. Once the application is processed, the cheque can be mailed out very routinely.

Old Age Security receives wide public acceptance.

Along with children, the aged were among the first groups accepted as having a legitimate claim to financial assistance from the community. Neither children nor the aged are expected to work. Policies of mandatory retirement at age 65, or earlier, which have become increasingly more common in recent years may even be increasing the acceptability of financial aid for the aged.

The universality of the programme, as in the Family and Youth Allowances programmes, removes any stigma which might otherwise be attached to the receipt of Old Age Security, and thereby furthers the programme's public acceptability.

Guaranteed Income Supplement

The Guaranteed Income Supplement by amendment to the Old Age Security Act of 1967, concentrates on those whose need is greatest. It provides for the payment of additional amounts for aged persons who are deemed to be in need on the basis of their previous year's income.

The plan's administration is also simple. Every aged person receives an application for the Supplement when he begins to receive Old Age Security and again at the beginning of each subsequent year. The amount of the Guaranteed Income Supplement to which he is entitled, if any, is based on the amount of his taxable income in the previous year.

The Guaranteed Income Supplement does meet the criterion of public acceptance for several reasons –

- First, since it was based on the Old Age Security Programme which was already well established, it had some "built-in" acceptability.
- Second, because support for the aged is so widely accepted, the supplement carries no stigma even though it differentiates between the "aged poor" and other aged.
- Third, because it is more fiscally responsible (i.e. related to the effective and efficient use of tax dollars

in social assistance), it has even greater acceptability among some segments of the public than the universal Old Age Security programme.

Social Assistance Programmes in Ontario

There are two major Social Assistance programmes in Ontario –

- General Welfare Assistance, which is administered "municipality",
- Family Benefits which is administered by the Province.

To give you a brief description of these programmes – the provincially administered Family Benefits programme applies to three major groups:

- The blind and permanently disabled (almost 50 per cent of all cases)
- Mothers with dependent children (over 30 per cent of all cases)
- Aged persons who are not eligible for Old Age Security, and wives over age 60 of Old Age Security recipients (about 15 per cent of all cases)
- The remaining, approximately 3 per cent, of cases are foster children and persons who are chronically ill.

During 1971-72 we will spend $120 million of $275 million in Family Benefits.

All of these groups may generally be considered to require long-term social assistance, for example –

- A permanently disabled person will continue to receive assistance unless he becomes sufficiently rehabilitated to become self-supporting.
- A mother may be expected to continue to require assistance until her children become independent.

The locally administered General Welfare Assistance programme applies primarily to short-term assistance. It is more inclusive than Family Benefits in that anyone whose income and resources are inadequate to meet his needs may receive assistance if he is not fully employed. Some groups may be covered by either Act, depending on their circumstances.

- A mother with dependent children, for example, may apply for General Assistance if she expects to require only short-term assistance or while she is awaiting determination of her eligibility for long-term Family Benefits.

Other groups, for example temporarily disabled persons, may receive only General Assistance, whereas the permanently disabled are covered by the Family Benefits programme.

Employable persons who are unable to find employment are also eligible for General Assistance. This brings me to a topical subject and one on which I would like to speak from a practical standpoint. Unemployment has increased in Ontario during the twelve-month period from 2.7 per cent in November, 1969 to 4.0 per cent in November, 1970.

During 1969-70 we spent $52 million on General Assistance. We now anticipate that we will spend $77 million in this programme in 1970-71. Should our social assistance machinery be expected to stand this additional burden?

Evaluation of Programmes

Evaluation of these two provincial programmes in terms of our criteria – fiscal responsibility, administrative simplicity, and public acceptability, yields a mixture of satisfaction and recognition of areas which can be improved.

Both programmes direct funds only to the needy. They are not universal demogrants, available to everyone in a given group who applies. A person is entitled to social assistance under either programme only after it has been determined that he has inadequate income of his own to meet his needs. As a result of this selectivity scarce financial resources are concentrated on those who are in greatest need.

Administratively our programmes are not simple. In fact, they tend to be complex. Some persons feel that they should not have to go through the application procedures for social assistance under the General Welfare Assistance and Family Benefits programmes. There are several forms which must be filled out. Medical certificates, birth, death, marriage certificates, and other certification may be required in specific cases. The assets of applicants must be examined to determine the amount of their own financial resources, and to ensure that they are eligible for assistance.

One of the greatest concerns of those of us who are working in the field of social assistance is how to develop a system which is both selective (to maintain responsibility for tax dollars) and at the same time maintain the dignity of the applicant.

Public Acceptance

Public acceptability of Ontario's social assistance programmes is difficult to judge since it varies considerably from one segment of the population to another. For example, while some persons applaud the fiscal responsibility which permits funds to be concentrated on those whose need is greatest, others complain that the selective approach somehow stigmatizes the applicant. Conflicting attitudes sometimes appear in the same person. For example you have probably all, at some time, seen a "Letter to the Editor" from an irate person complaining that his local municipality or the provincial government spend too much on social assistance, but making no mention of programmes such as Family Allowances which divert millions of dollars in social assistance to many who are not in need.

One reason for the lack of complete public acceptance of our social assistance programmes is the "work ethic", that is, the belief that all able-bodied persons should work. As I mentioned earlier, universal programmes are accepted not necessarily because they are universal, but because they concentrate on groups which society does not expect to work; groups such as children and the aged. Since many recipients of General Welfare Assistance and Family Benefits are neither aged nor children, some segments of the public feel that they should work. Yet, a closer look would show that the great majority of our social assistance recipients are either unable to work or jobs are not available for them.

- A person medically certified as permanently disabled by definition unable to work to support himself although with the aid of Rehabilitation Services, he may in time become capable of doing a limited amount of work, perhaps in a sheltered workshop.
- The conflicting values of the public with regard to recipients of social assistance are perhaps most evident in relation to the mother with dependent children. While middle class mothers often are criticized for "shirking their responsibilities" when they choose to go to work, the mother who receives social assistance is criticized for not going to work.
- Unemployed men are another target for severe criticism when they receive social assistance. Yet, what other alternative is there for an unemployed man who wants to work but who cannot find a job, and whose Unemployment Insurance benefits have been exhausted?

There is, therefore, a stigma attached to the receipt of assistance arising from the concept that all able-bodied persons should support themselves. I should say that our programmes support the idea of the work ethic, that persons should support themselves, where possible. They also recognize that there are those outside the labour force due to disability, family responsibilities, or lack of suitable jobs. Our experience does not support the view that anyone outside the labour force who receives social assistance is either lazy, a failure or in some sense inferior. External appearances are often deceiving.

In my view, our programmes in Ontario are increasing in public acceptability as more and more of the public comes to recognize the fact that groups such as sole support mothers, and fathers who are involuntarily unemployed have claims on society as legitimate as those of children and the aged.

Ontario residents have equal legal right to social assistance from both the universal federal programmes and Ontario's selective programmes, even though the administrative procedures differ.

- An aged person who meets residence requirements has a legal right to Old Age Security.
- A mother with dependent children who is unable to meet her family's need through her own financial resources has an equal right to social assistance under FBA or GWA.

Both the Family Benefits and General Welfare Assistance Acts state that allowances "shall" be paid to eligible applicants.

Public Acceptance and Legal Rights

After reviewing the title of this talk, I look at our Social Assistance programmes and I have formed the opinion that they meet the criteria of financial responsibility and administrative simplicity. Let us look at public acceptability in the light of the title of this speech. It seems to me that this is the last barrier we have to overcome and attitudes are changing.

A Board of Review was established under The Family Benefits Act in 1966. Now, whenever an adverse decision is made with regard to an application for social assistance the applicant or recipient is notified of his right to appeal the decision before this Board.

The discretionary element in decision making cannot be the same in Social Services and Social Assistance. The counsellor providing a rehabilitation service, for example, must evaluate his client's abilities, co-operativeness, needs, progress and many other factors. He must continually exercise his judgment in deciding on the appropriate type of treatment for his client.

Information

An applicant for social assistance should know what his rights are. He should know for example, who is eligible for assistance, what he is eligible for and what discretionary areas there are.

There are some publications available from my department describing our social assistance programmes, as well as copies of the Acts and their Regulations.

Probably the most important source of information is the fieldworker or interviewer whom the applicant first meets. This is an opportunity for the applicant's rights and procedures to be explained clearly and in language which he understands.

We are now working on other ideas for improving communications with both recipients and potential recipients. It has been suggested that we publish a handbook which explains the applicant's rights simply and briefly. We are studying this possibility. It could be that because of the complexity of the legislation, and the tremendous variation among applicants as to age, education, ability to speak English and so on several handbooks, rather than one would be a better solution.

Another possibility is the development of general information centres which would offer information on the full range of public and private services. Potential applicants could telephone or visit such a centre for information. This approach would permit adjustments to be made to meet the needs of individuals who are emotionally distraught, who speak languages other than English, or who have other problems. Referrals to various services and other agencies could also be made in this setting.

Whether it be a handbook, information centres, both, or some other technique, we will find better ways of informing potential applicants of their rights.

Summary and Conclusion

In summary, our programmes are fiscally responsible; using tax dollars efficiently and effectively we are striving to develop simpler administrative techniques which will help to maintain the applicant's dignity. Public acceptability of our social assistance programmes may be the most difficult of the three criteria to attain.

Universal systems in some areas have been simple to sell. Most people do not object when everyone is treated equally. We have accepted a greater challenge. Although it has not been so publicly acceptable, we have decided on a selective approach in order to concentrate limited funds where they are needed most.

Social assistance in Ontario is a legal right. We hope that by improving communications channels we can develop more public acceptance of selective social assistance programmes.

The gratitude of the Club was expressed by Mr. Joseph H. Potts, Q.C.

JANUARY 28, 1971

The Challenge of Change

AN ADDRESS BY Murray Chercover,
PRESIDENT & MANAGING DIRECTOR,
CTV TELEVISION NETWORK LTD.

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Keith Whitney

DR. CRANFIELD:

Gentlemen: Montreal claims our speaker of today as one of its native sons and with justifiable pride. The Port Arthur Collegiate Institute claims both the speaker and your chairman as graduates but not with equal enthusiasm which shows that in my time just before the depression, though desperate for things to be pleased about, even in a minor way, they gave me no medal. By 1945-46, even though he had to compete with V.J. Day and V.E. Day and the end of World War II on graduation he still attracted a good deal of attention though certainly not as much as deserved.

Our speaker however left this unglamorous world of my experience for the fascinating one of Radio, the Theatre, the Cinema and finally Television. He was associated with CFPA Radio in Port Arthur before he had reached his sixteenth birthday. He had gone through the Canadian scene of Radio and Theatre with the New Play Society in Toronto and went on to that Mecca of all entertainers and show people, New York City before he was twenty. He had not yet reached twenty-five when he had been a Stock Company Director/Producer in such famous places as Kennebunkport, Maine, the Long Island Tent Theatre and the Circle Theatre of Atlantic City. He had even been a Producer-Director of Network Television Drama with "Cosmopolitan Theatre" for the Louis G. Cowan Agency and had tried his hand as a film Director and had still not lived a third of a century. Returning to Canada in 1952 he spent the next eight years with CBC with credit for such famous successes as "General Motors Presents," Proctor & Gamble's "On Camera", Ford Motors' "Playbill" and "Space Command". In these he was combined as producer and director.

He left CBC to join the opposition for he crossed the floor of the house to join Mr. Bassett, the leader of "her Majesty's loyal opposition" in T.V. His career here took him through posts of ever-increasing importance with CFTO TV (Baton Broadcasting) to his final position, there, as Vice President of Programming. He then left John Bassett to accept the post of Executive Vice President and General Manager of CTV Television Network Ltd and is now their President and Managing Director.

Perhaps I am being redundent but I would explain to some who may not know that in Canada all Television broadcasting is organized under the "C.B.C." or under "C.T.V.". The independent stations across Canada are banded together as the C.T.V. Television Network Ltd. They compete successfully with the Government operated (and 50 per cent subsidized) Network of C.B.C. and pay their way entirely on what they make from their advertisers. This central network headquarters is so skilfully managed that it commonly bids the better programmes away from CBC. In no other country is there a parallel. It is unique in the world in being able to exist in this fashion, undoubtedly due to the ability of its president.

As I present him to you he is totally involved in the communications medium for he is either President, or Vice President and Director of a full dozen associations and companies in this field. For example here are the ones of which he is *president*:

(1) CTV Television Network; (2) Avanti Management Ltd.; (3) CTV Atlantic Ltd.; (4) Channel Television Productions Ltd.; (5) Lancer Teleproductions Ltd. and (6) Phoenix Teleproductions Limited. Last spring when I was negotiating for his appearance here today he was a key spokesman and consultant in the planning of Regulations for the Broadcasting Act. You are therefore to listen to the voice of authority in Mr. Murray Chercover with his topic: "The Challenge of Change." Mr. Chercover.

MR. CHERCOVER:

Head Table Guests, Gentlemen: It is a great honour to be afforded the opportunity to speak to this impressive gathering today. After a review of some of your previous speakers, I almost panicked and ran, but my concern for the preservation of some of the values in our unique broadcasting system, which are severely threatened, caused me to reconsider.

I've chosen as my theme one which has become a favourite of mine – THE CHALLENGE OF CHANGE. It's quite remarkable how my changes have taken place in the basic structure of our Canadian broadcasting industry, not so say our society and our world, since I first spoke publicly using this theme a very few years ago.

First of course we've had changes in the basic legislation guiding broadcast policy – a new Broadcasting Act. More recently massive changes in the regulations under which we operate, not all of which may be truly in the public interest, but certainly changes which will result in profound revisions in the system as we know it.

Let me hasten to assure you that I for one, at least, accept that those responsible for these changes were well motivated and well intentioned. They may not, however, have been well informed.

To regulate a highly complex and delicately structured system such as we have in Canada requires more than good intentions – much more. Precise and accurate knowledge of all of the technical, economic and social effects of proposed changes must be married with the good intentions – or the result will surely be chaos.

One of the difficulties I face today is to try to convey to you, without elaborate exposition, the nature of the crisis we all face. Time is always an enemy and after countless hours of direct testimony, response to cross-examination and consultation, I fear I may have failed to acquaint the Special Senate Committee on Mass Media, the Commons Committee on Broadcasting, Film and Assistance to the Arts and the Canadian Radio-Television Commission with the real condition of our industry.

In any event, I thought about today very carefully and came to the conclusion that I could only deal with the options and choices we must face on a principle or philosophical basis; and assure you that the facts which support my case have been demonstrated – and can be again – given the interest and the time.

A very old and very wise man who literally grew up with the motion picture industry, and became one of the legendary giants recently said to me, "The only constant in our business is change." I'm sure it wasn't original with him, but it was impressive. But I could only respond with, "My friend, you ain't seen nothing yet."

We are all caught in an expolding technology in the field of communications. Each of us in our daily business affairs experiences it. The geometric expansion of knowledge which requires that we all spend so much of our time acquiring new information just to be able to make everyday judgments and decisions . . . now the ogre of rampant technological change for its own sake looms as a real threat to our society. We are, I believe, in danger of being stampeded by technological options into losing sight of our objectives and ultimately our ability to fulfil those objectives.

Let me ask a question. If we had known in the early 1900's when the automobile was a toy – a novelty – the profound effect it would have on our society, on ecology – would we, in all conscience, have allowed it to become what it has? I very much doubt we would have voluntarily sacrificed the very air we breathe, perhaps the future of our children – to our peculiar romantic identification with personal transportation. And today's and tomorrow's generations must pay the price . . . they must undo the damage – provide clean, economic and rapid mass transit, return the cities to the people . . . rather than maintain them as gigantic parking lots for our automobiles.

What has all this to do with television today, and *particularly* in Canada? We have the technocrats holding out the prospects of multi-channel Cable Television (CATV) systems, facsimile reproduction in the home, shopping services, laser transmission, satellites and satellite to home, two way services, cassettes, and on and on . . . like handfuls of gaudy beads offered to early natives in exchange for the vast wealth of their natural heritage . . . in this case perhaps our very identity.

The basic thrust of the Broadcasting Act of such recent vintage as 1968 is to strengthen and preserve the separate identity of Canada . . . clearly a massive challenge, allocated solely to broadcasting, living as neighbours to the giant nation on our southern border. Incidentally, this is not a severe problem for Australia or Great Britain, because they are separated by vast distances from other signal sources and a multiple choice of signals are not accessible to their viewers as they are here; for over 65 per cent of Canada's television homes have direct access off air to one or more American signals with or without the assistance of CATV. Neither is the adjacency of the British Isles to the continent a problem because English speaking viewers somehow don't demonstrate a passion for viewing Dutch, French or other language originations.

Now we face a conundrum. A year ago, in the interest of preserving our identity and emphasizing the east/west flow of programming, the Canadian Radio-Television Commission decided that it was profoundly in the public interest to drastically decrease the volume of American programmes available to Canadians via the Canadian licensed broadcasting system.

Today, not quite a year later, both the Secretary of State and the Commission have made it clear that it is also profoundly in the public interest to ensure that all Canadians have access to all American programmes via CATV. (I should qualify that by saying only those Canadians with CATV services available to them.)

And now we have Senator Davey's Commission. That report merely reiterated the existing bias in spite of conflicting research. Surely we could have saved all that tax money and simply written the report without all the public discourse. In view of the surveys conducted with the public which established that a remarkable 90% of the Canadian public were happy with their media services, which reconfirmed that television was the dominant and most important source of current news, and which indicated the general consensus that Canadians are better informed today than they were five years ago.

Against this expression of confidence, how can one justify the changes demanded by the Commission, or Senator Davey. Perhaps it's that syndrome which occurs with governments and their agencies, and critics and academics. The inevitable desire, in the words of the Secretary of State, to ensure that "the culture of the elite must be brought to the masses."

How can these conflicts be reconciled? I don't really know.

First, the massive increase in domestic programming imposed on us requires the expenditure of huge sums of money at precisely the same time as the rapid expansion of CATV is fragmenting the Canadian audiences and diminishing the industry's viability.

If alternative sources of financial support were available, then the service could be maintained. But, with diminishing audiences, the justification for such support – whatever its source – would be difficult to find.

The efforts expended during the past ten years, which repatriated the Canadian viewers from their historic predilection for viewing U.S. border stations, will be wasted. Graphic and dramatic evidence is available to demonstrate the vastly increased penetration of U.S. stations in cable equipped households, as compared with non-cable households. The logical question is why this rush to develop cable? Ostensibly to meet public demand.

Well, let's not be naive. There certainly has been a demand for alternative viewing choices in those remote and smaller uneconomic markets with only a single service – a demand incidentally which is hopefully to be met by direction of the CRTC on an accelerated timetable, while hopefully preserving the economic viability of the incumbent licensees, and hopefully meeting the new regulations, and facing the expansion of cable – piling straw upon straw on the already sway-backed camel.

But the so-called public demand in markets now served by both national services is clearly a demand created by clever entrepreneurs – and not incidentally the hopeful future licensees of cable operations in those areas – not a demand which spontaneously welled up from the hearts of Canadians not so fortunate as to live in Toronto or Vancouver and have access to U.S. signals automatically.

If our intent was and is to preserve and strengthen our national identity and fulfil the objectives of the Act, *technology* has many answers:

For example – we could have adopted a different technical standard when television was first licensed in Canada, which would have precluded reception by Canadians of foreign signals, or, we could license each receiver sold, and dependent on its location, require the tuner to be so constructed as to be unable to bring in the foreign channels.

But none of these options, or many more I could identify, are *politically* acceptable. Besides, the less ethical amongst us could make a fortune with black market converters to enable viewers to receive the signals of their choice.

What then are the real options?

First, recognize that quality and quantity are not synonymous. CTV has over the past five years concentrated its resources and the bulk of its programme budgets on improved News Services, better journalistic endeavours dealing with the issues which are or should be of concern to Canadians, and on an admittedly moderate number of Canadian entertainment programmes . . . and lo and behold we've been able to compete. The Canadian audiences invariably tune to Canadian News and Information Programmes when they have the choice. Some of our entertainment offerings have found such favour as to rival the most popular imports.

While our costs related to foreign programme purchases over the past four years have risen only 7.5%, our expenditure on Canadian programming in the same period has risen by 80.5%. For the current season alone we have budgeted for a heavy 36% increase in Canadian programme budgets. Surely these facts would justify a qualitative approach. But spreading all our resources over a vastly greater volume of programming is almost a guarantee of a deterioration of quality.

The Australian Broadcasting regulations recently revised their regulations . . . there too the intent has been to emphasize their own identity. However, one of their key policies is to create incentives for excellence . . . by providing extra credit for programmes in certain categories.

We made similar suggestions to the Commission, some of which I'll briefly outline.

One – an extra credit for programmes where costs are of necessity high.

Two – an extra credit for programmes which are designed to orient or inform Canadians, or to stimulate public dialogue on issues which are or should be of concern.

Three – an extra credit for programmes which through merit or quality, or even the ingenuity of the sales approach, achieve penetration in foreign markets; and thereby contribute revenue flow to Canadian artists and the Canadian programme production industry.

Another option – obviously heretical – would be to free the private broadcasters from the restrictive, and in my view, unproductive regulations. As the Commission has expressed its faith in the ingenuity of Canadians and acknowledged that regulations by themselves cannot make programmes, allow us to compete freely with the least possible quantitative or administrative regulation and, as it were, to give free reign to our Canadian ingenuity.

I believe the public, and even the Commission, might be happily surprised at the results.

If cable must come, then even while recognizing the concern about concentration of media control, ownership of cable should as a policy be given first to broadcasters who must bear the ultimate burden for our national identity – even if this has to be done through some form of trust to ensure independent programme control in the public interest, at least the vast sums of money which will ultimately flow to this new service could be diverted to the programming needs of the country.

Perhaps we should throw off the influence of the hardware merchants and technocrats, and however painful break off our love affair with cable. Or, if cable is truly to be the key to a happy, productive urban society, accept the responsibility of operating CATV as a public trust and revise current policies accordingly. Create a new utility in the public sector to ensure that *access* will be universal, for under the current system – those who need it . . . the poor, the disenfranchised, the uneducated, and those remote from the heart of the urban centres . . . will be the least likely to have access to it.

The alternative may well be to destroy the only existing system which can reach the majority of Canadians – the licensed transmitting undertakings we currently operate – inter-connected nationally on a network basis.

We must finally accept the reality that the hardware and the distribution system are irrelevant . . . that programmes, their content and choice, are everything. Canada must make a choice. The priorities of the Act . . . a mixed system of public and private elements providing a dual national service in English and ultimately in French . . . or . . . a new and perhaps attractive option – a proliferation of cable systems and channels, primarily for the purpose of providing vast choices in numbers of programmes (many if not most from the United States). For we do an imperfect job of programming two channels nationally now – with fragmentation the resources available to fill the increased demand for programmes will be diminished.

For my part, I'll choose the principles enunciated by the *Broadcasting Act* . . . the preservation and strengthening of our national identity. If this is not to be the Government's choice, then let's stop the sham – remove the regulations – and change the Act . . . and the devil take the hindmost.

The gratitude of the Club was expressed by Mr. Arthur R. T. Chetwynd.

FEBRUARY 4, 1971

What to do till Benson comes: or White Paper Ju Jitsu

AN ADDRESS BY H. Heward Stikeman, Q.C.,
STIKEMAN, ELLIOTT, TAMAKI, MERCIER & ROBB

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. A. W. Downer

DR. CRANFIELD:

Those of you who have shown your double interest in the speaker and his subject are here again to meet this man, within whose path fate built in head winds on Thursday, November 26th. You are finally to be rewarded. For my part I commend your confidence in my oath that I would deliver him to you whole and in good voice. Those of you who were here in November may find my introduction familiar.

On that earlier occasion I presented the speaker to you in absentia. I believe it is only fitting that he should know the general tenure of my remarks at that time. I linked the physician (myself) to the tax lawyer (our speaker). The physician parries the scythe of death knowing that inevitably the running of the sands of time establishes that it is merely a postponement.

This tax lawyer shields us from the full force of the tax laws for he recognizes that, as with death, the power to tax is the power to destroy. On the earlier occasion I made reference to a cartoon. That witty man, Macpherson, whose pictorial gifts are displayed in the Toronto *Star*, last November in a five-column-wide cartoon portrayed this destructive power and captioned it, "Certificate of Air Worthiness". His sketch shows a pranged aircraft labelled "Canadian Economy" standing amidst a bellow of black smoke, up on its nose. The dazed back seat passenger is "Private Business". The test pilot, unmistakably the Honourable Mr. E. J. Benson despite his attire of flight boots, sheerling-lined jacket, muffler and goggles, is walking away unscathed. He wears his usual Pixie smile, is cheerfully unconcerned with the wreck he has just left, and is blithely lighting the ubiquitous pipe while he is saying with a gesture, "It's all yours!" (I had no idea that this timely reference to air travel would plague our guest, fortunately not quite as pictured by Macpherson!) Our speaker of to-day is as frugal in parting with information about himself as he, undoubtedly, is in parting with your tax money to Ottawa, he's a 17%er. Readers of the Management Magazine *Canadian Business* have read his article, "Why Can't We Have Proportional Personal Income Tax". They will recognize the reference to a *17%* tax, after a basic deduction. Our tax consultant symbolized this in his curriculum vitae by sending me just *17* lines about himself. Trinity College School and McGill claim him as their combined product. By 1938 he had his B.A. and B.C.L. After this he spent his life till 1946 as Assistant Deputy Minister (Legal) to the Income Tax Division of the Department of National Revenue in Ottawa. Leaving this he was appointed Counsel to the Committee of the Senate formed to study and reform Canada's income tax laws. He was the man who was responsible for the redrafting of much of the new Income Tax Act that emerged after the war. Concurrently he had joined the firm of Foster, Hannen, Watt, Stikeman and Elliott. In 1952 he formed his own law firm, Stikeman, Elliott, Tamaki, Mercier and Robb, where he is continuing his practice in taxation and administrative law with offices in Montreal and London, England. He is an ex-governor of the Canadian Tax Foundation, General Editor of the many tax publications of Richard De Boo Limited in Toronto and a director of many sound Canadian companies. From this I judge him to be Canada's most qualified tax expert. As for his flying about: Last November's failure to arrive here from Montreal casts no aspersion on his skill as an aviator or on his air judgement. Both are excellent. Indeed, he had piloted his plane to Ottawa the night before but decided, because of the unfavourable weather prediction, to return to Montreal ahead of this storm and come up by commercial flight on Thursday morning. The weather was so completely rotten that not only did that plane take off an hour late but it flew ½ hour slow. Your persistence and his however are to be rewarded. One last quip from me is to repeat to you a comment from before, that since he flies and since he is qualified at the Bar in Quebec and Ontario you must refrain from referring to him as a Bar Fly. Mr. H. Heward Stikeman presents his answer to the tax dilemma of the controversial Benson White Paper under the title "What to Do Till Benson Comes: of White Paper Ju-jutsu".

MR. STIKEMAN:

Mr. Chairman, ladies and gentlemen!

After that introduction, we hardly need a speech. I must say that I am overcome that so many of the faithful have returned to what my irreverent secretary has termed "the second coming". I know that many of you will doubt that there was ever a first coming!

However, I have done a little research into why it was that Air Canada let me down on that ill-fated day in November. As a result I discovered that it was known that I was coming to address the Empire Club. Some of my F.L.Q.

friends decided this was too much, and Air Canada did not perform as well as I might have performed myself!

Today I learned that, had I been more intelligent, I would have said, "My dear fellows, the Empire Club is merely an Ontario name for the 'Native Sons'." Now, Native Sons in Quebec connotes only one thing and of course that would have speeded my progress to this city in November just as much as the Empire Club is sure to have impeded it.

Now that I am here I also should note how refreshing it is to hear "God Save the Queen" sung. I don't believe I have heard it in a long time, in fact for so long, I've almost forgotten the words. Even in Quebec where they sing "O, Canada", they sing a different version. A prettier version but one which is relatively difficult to pronounce and sing at the same time since it is in the language of our own native sons. I won't therefore commence with my few words of French. We'll get right to the subject. I didn't imagine, when I first heard it, that I was going to attempt in minutes to offer a viable alternative to Mr. Benson's White Paper. I had in mind telling you what I felt we all should do in terms of evasive action until it happened. However, I will also suggest that there is an alternative reform course to the White Paper which I think is viable and which emanated largely from this province.

When we look at the tax picture today, we have to look back about eight years, and we note that the tax reform steamroller has been rolling along at relatively the same pace with the same unconcerned slowness but it has changed drivers a couple of times. Mr. Carter was in the seat for a while and when he left, we got the new driver who also doubles (for certain cartoonists!) as an airline pilot, as our Chairman has told us. Despite the road blocks which have been put in the way from time to time by outraged public groups, by economists, by widows, orphans and other people who have gone to their tax consultants in fear and distress, and have even left the country, nothing very much seems to have changed in the tax reform picture. Mr. Carter's "equity" has been replaced by Mr. Benson's "equity" and some of Mr. Carter's proposals have been altered to better suit the money-raising requirements of the Government.

Notwithstanding this, as I stand here before you today, we are looking at a situation in which we are still left to guess whether the force of the tax reformers has been more irresistible than the immobility of the public and political objections. The irresistible force has almost overcome the immovable obstacle! Perhaps now we will at last have to consider the matter for the first time realistically and coldly in the light of what is about to come, and not through the rosy-toned lenses of what might have been. We have tended to live in Euphoria in the belief that nothing ever will happen and that it would all just go away. Well, we read in the paper this morning that April is the deadline for something. However we were told by Mr. Benson in a speech in October and again later in the year that it would probably be June before we would see the legislation in full bloom. So, those of us who have been White Paper watchers find it hard to credit that we will see the exact terms of the legislation this April. We also find it difficult to see how it can be tabled at that time without any further consultation with the Provinces. But, perhaps, like Lady MacBeth, the draftsmen are "too far deep in blood" to draw back now.

Mr. Benson, in one of his earlier speeches, assured the Provinces through the medium of a very widely representative audience that consultation with them was the next step in the formulation of this eventful legislation. We don't seem, therefore, to have much time between now and April for meaningful discussion to be had with the Provinces that really matter fiscally, i.e. Ontario, British Columbia and Quebec – perhaps in that order. Thus one suspects that what will happen in April may not be the full dress bill but may be something which is in between a bill and another mini-White Paper for discussion at provincial levels. However, we can't take the chance, and what I have decided to do to-day is to try and give you some of the impressions and views that I have formulated and passed on to my clients as to what can be done in a purely selfish vein between now and 1972 and then perhaps what we might do from a more unselfish and national interest standpoint in terms of promoting an alternative – if that's still possible and I am beginning to think it is.

Mr. Benson has told us that January 1, 1972 is the day on which this thing will happen. That is to say the legislation which we will see in April or perhaps May or perhaps June for the first time, will take effect and bite on January 1, 1972. He has not told us whether that means that it will chew up fiscal periods which happen to end in 1972 or merely affect fiscal periods which commence in 1972. That is the first serious consideration which should be watched for in order to immediately bring it to the attention of the authorities, after the bill is seen. You can quite envisage the predicament of any taxpayer who has a fiscal period ending say January 31, 1972. It will mean that everything he has been doing from now right through has been relatively in the dark. He has (to coin a phrase!) been "flying blind". I suspect and hope that the law will take the course which is normally followed in that situation so as to affect only periods beginning in 1972 or the portion of the periods beginning before 1972 that end in that year. But that, I think, is the first thing to look out for.

When you look at the year 1971, it divides itself naturally into periods. One is perhaps pretty short, that is between now and April, if the legislation is brought down then, and the other between April and the time when it is passed which could conceivably take a couple of months. We have been told that there won't be any more public shouting, there won't be any more opportunities given to people to attempt to influence the matter politically, but there will obviously be an argument in Parliament. There will obviously also be time for any mechanical deficiencies in the legislation to be repaired by simple representations at the administrative civil service level. All this will probably take, I would guess, a couple of months. Perhaps the decision to introduce the Bill in April is a humanitarian way of seeming to avoid threatening Parliament with sitting through the dog days and passing ill-considered legislation in the heat of Ottawa and under the pressure of wives and families desirous of going off on holidays. So it may be all for the best and I think we can count on having the time between April and the hot weather to do something constructive about it and, what is much more important, to look at the legislation and see how it affects ourselves.

In this connection most of us have plans. I suppose we all have "funk-holes" of various kinds already established in our minds as to what we might do if it is as bad as we think it is going to be. But we can't really firm them up until we see the law. So those six weeks or eight weeks are going to give us a chance to look at the law and make some plans. After that, supposing it is passed in June or July, it won't take effect, assuming that my first prognostication is correct, until January 1, 1972 and it won't affect much of what we do before that time. Thus we should decide almost immediately whether we think we should take any preventive action. When we see the Bill we should try to get hold of our professional advisors and decide what it means – if they know, and try and figure out, if we can get enough of their time, what might be done after it is passed. When it is passed, we have to take our courage in our hands if we have had suggestions made to us and do something.

The reason why I say that we have to take courage in our hands is that tax planning requires astute navigation to avoid the hazards of the present and the dangers of the future law at one and the same time. In short, we must not set a course that will run us aground on some as yet uncharted sandbank or reef in the new law. At all costs you must avoid the reefs. Those I equate with head-on collisions with the Enforcement Section. I look at sandbanks as things which are merely brushes with the Assessors. You can be hauled off sandbanks . . . you usually get wrecked on the reefs.

But the trouble is that, as time passes and judicial thinking progresses, the sandbanks tend to harden into reefs. There are a lot of little polyps working in this sand called assessors and draftsmen and they take a few grains of perfectly innocent-looking sand, that used to be a sandbank, and before you know it you have got a reef. What you did yesterday that was simple tax avoidance or, as Stephen Potter might have said, "the art of dodging taxes without actually cheating", has suddenly become fraud or tax evasion and we must be careful.

I am not being facetious, I am trying to condense this into a short compass so that I will not be bothering you with long citations of judicial authority. But we do have a problem. When you start planning, you plan to do something which will lessen the impact of the law to come and you plan it under the aegis of the law which is now here. What might be permissible in later years might run you into a considerable amount of trouble in this year. So you are really going to have to exercise a considerable amount of judgement and skill which those who navigate under one system of law normally don't have to bother about. There is also the distinct possibility that the provisions of the present Income Tax Act, which make it dangerous enough to do ordinary, simple tax planning, will be hardened in the new law and perhaps even made retrospective to attack attempts to avoid it by actions taken in advance. These are sort of red letters you must put beside the sections that seem to you to be dangerous and ask your professional people to examine them in detail. The reason that I see this hardening process coming in the White Paper legislation is because the whole trend of the Government's public statements on the White Paper, as well as the language itself indicate that it is a relatively socialistic and levelling document.

Mr. Trudeau in his speech in Calgary last year said, "Thereafter legislation will be introduced incorporating policies designed to make more equitable the economic burden shared by fellow dwellers in this complex and varied land" (so far no problem). "These taxation measures are part of the Government's pledge to utilize the wealth of Canada for the good of all Canadians, not just those fortunate enough to be shielded by the protective apparatus of giant corporations, professional organizations or powerful labour unions."

Now that sets a pretty definite and hard line and I should read another quotation which you will probably all recognize, that is "from each according to his abilities to each according to his needs." Does that sound like our Prime Minister? Because if it does, it is Karl Marx from his First Manifesto, word for word. In short, the White Paper is really a wealth distribution mechanism. The principle seems to be to take a dollar from the man most likely to invest it and put it into the hands of a man who will almost certainly spend it. I must say in these poor times the distinction is getting mighty thin because anybody who has a dollar today does not often invest it.

This thinking parallels the changing administrative approach to which I referred a moment ago, to which I must now return, as was evidenced by certain official effusions from the Taxation Division in recent months. You may have seen Mr. Asper's article. He made a considerable amount of mileage out of one of them, a little booklet put out by the Information Branch of the Department, called "You Are Asking – The Story of Taxation". That booklet equated tax avoidance with tax evasion and it said, "What we call tax avoidance" (his is the Department writing) "is something else, generally speaking this involves taxpayers, relatively few, who design schemes or gimmicks or have consultants do it for them for the purpose of evading tax," thus defining tax avoidance in terms of fraud. Fortunately the Department is not quite that crass and that booklet was withdrawn shortly after it appeared.

However, at the same time there was a so-called “Information Circular” issued which is Circular 70-9 which purports to put forward the rather advanced Department ideas of the distinction between avoidance and evasion. It defines fraud or evasion in pretty recognizable terms as the “commission or omission of an act knowingly with intent to deceive so that the tax reported by the taxpayer is less than the tax payable under the law, or a conspiracy to commit such an offence.” Theoretically of course this means that you can talk to your accountant or your lawyer and you can consider doing a certain act in concert with others and you can be considered as conspiring! So you have to have a clean mind. Then they go on, “This may be accomplished by deliberate omission of revenue, the fraudulent claiming of expenses or allowances, and the deliberate misrepresentation, concealment or withholding of material facts.” Well, nobody quarrels with that, it’s sheer unadulterated fraud. We might take a little issue with the use of the term conspiracy because conspiracy is the joining together with the intent to perform an illegal act: whether it is ultimately perpetrated or not makes no difference. It’s the thinking that makes it bad if they can prove it. But when they get on to talk about avoidance, which is not evasion, and is probably only what most of us will be highly active in at least thinking about, if not doing, over the next six months in order to get ready for the avalanche, they do it in rather hair-raising terms.

They say the types of cases that are intended to be referred to the Tax Avoidance Division, and mind you they have a whole paraphernalia set up and going on this thing, are restricted to “those where the taxpayer has apparently circumvented the law without giving rise to a criminal offence” (now that’s a very difficult thing to do!) “by the use of a scheme or arrangement or device” (it’s interesting they don’t use the word “plan”. You see we have all gotten rid of these words in our vocabulary and we now say plan – they don’t. “Plan” is still clean.) “the main or sole purpose of which is to defer, reduce or completely avoid the tax payable under the law. Usually a series of transactions is involved which do not truly reflect what is actually happening and sometimes the avoidance is accomplished by shifting the liability for tax to other taxpayers not at arm's length in whose hands the tax payable is reduced or eliminated. . . ."

If it is concluded that the scheme did successfully skirt the various provisions of the law, but also thwarted what the Department believes was the intent of the law, "the Department will continue the present practice of recommending corrective amendments to the law to prevent the scheme from being used in future years. There is sometimes a fine line to be drawn between tax avoidance and criminal tax evasion. And if during investigation of a case of a tax avoidance it is discovered that there is a prima facie tax evasion offence, the case will be referred to the Special Investigation Division. Then you have the slow measured threat of doom very close behind you."

When one reads that statement, one is reading what is only official policy and what is admittedly only the Administration's view of how the thing stacks up. This view however is still at variance with the decided cases before the courts. Judicial decisions in Canada, England and Australia, in the absence of specific legislation enabling a government to take the position which has been put forward in that circular, have almost always held that tax avoidance is not only proper but even economically justifiable because the theory is held – perhaps it is old-fashioned – that if the law is so drafted that if you have a number of choices between paying a lot of tax, some tax or no tax by taking different legal routes to the end result, you are at liberty to choose that which most conforms to the lowest tax burden provided that you do it openly, provided that you do it with full value and weight given to the legalities of what you are doing and provided that, as one writer said, you act as if the tax assessor was sitting right with you. That's hard to do sometimes, but it can be done.

This was well said by a man called H. A. J. Ford in his *British Tax Review* article of July and August 1961 (this is old stuff, the dispute has been going on for years but it comes into focus when we talk about the next six months):

> "Unless the tax law provides otherwise, the taxing authorities and the courts of law must take the law of property and the legal consequences of transactions as they find them."

This is also echoed by Lord Tomlin in *C.I.R.* v. *Duke of Westminster*, [1936] A.C. 1, where he said:

> "Every man is entitled if he can to arrange his affairs so as that the tax attaching under the appropriate Act is less than it otherwise would be. If he succeeds in ordering them so as to secure this result, then, however unappreciative the Commissioners of Inland Revenue or his fellow taxpayers may be of his ingenuity, he cannot be compelled to pay an increased tax."

In Canada the courts have always held to the simple and basic principle that Parliament means what it says when it passes an Act and that the language must be given meaning in strict accordance with the actual words used.

This was said as long ago as 1917 in the Exchequer Court decision *O'Reilly and Belanger* v. *M.N.R.*, [1917-27] C.T.C. 335:

> "If we depart from the plain and obvious meaning of the words of the Act, we do not then construe the Act but we alter it. If the words are precise, no more is necessary than to accept these words in their ordinary and natural meaning."

Again, the President of the Canadian Exchequer Court in *Malkin v. M.N.R.*, (1938-39) C.T.C. 136:

> "A statute levying a tax cannot be extended by implication beyond the pure import of its terms, and the terms

> of a taxing statute cannot be extended to frustrate the efforts of a taxpayer to avoid taxation, for example, by a trust settlement."

It was recently stated that if we depart from the plain and obvious meaning of the words of the Act, we do not then construe the Act, we alter it. If the words are precise, no more is necessary than to accept these words in their ordinary and natural meaning. Well, of course that can be a way out because statutes, particularly taxing statutes are seldom precise.

But you get the general idea which is to only tax where there is language to do it. So you can see there is some variance between those statements of the courts and this Circular. Thus when we come down to thinking about the next few months we should note that the Circular goes on and it gives a list of things that it suspects taxpayers are going to be thinking about. It says these are "some of the complex tax avoidance schemes designed to circumvent the law which the Department has investigated and will continue to have under review" – they "involve the use of one or more of the following." I am going to read some of the examples and you will see perhaps fleeting images in the backs of your minds of ideas you yourself may have harboured, if only briefly, but perhaps now, more seriously, in the light of the oncoming White Paper.

"Tax Haven companies and trusts used to:

- Divert revenue from sales and services
- Inflate purchases
- Inflate expenses
- Divert investment income
- Hide investments."

"Hiding investments" is fraud and that of course should not be in that list!

Circular continues:

> "(b) Loss companies acquired for the purposes of diverting profits from the existing businesses."

Under the law it is possible in certain circumstances to reduce taxes on business profits by selling a business to a loss company. However, some taxpayers try to achieve the same results by buying up a loss company and diverting profits to it without transferring the business.

"(c) Exempt entities used to defer unduly or completely avoid tax. Deferred profit sharing plans, appropriation to shareholders, artificial deductions by corporations," and so on and so on and so on.

Despite all this, in my view there are still certain definite things you can do. Of course at one end of the spectrum is the fact that you can leave Canada. I think that's silly but a lot of people are doing it. Leaving solely in the face of the unknown does not make economic sense but there are people, and we have seen a lot of them in our professional lives, who fear this so-called "exit tax". If they stop to think about it a bit, they will realize that the exit tax does not hit them until there is a change in the value of their assets between the day called "V-Day" when it comes in (Valuation Day) which will be sometime this year, and the day they leave. At the rate things are changing for the better in this country, it well might be a couple of years before there is a serious increase in value, and during that time they will have time to reflect and take the measure of the new law. So I put leaving just for leaving's sake or fear of the exit tax, as is often advanced to me as the reason for doing so, on about the same plane as the argument made for moving assets from Quebec to Ontario. I put that at the bottom of the list.

I know that you would not like me to leave this subject without giving you my views as to what practical measures should be contemplated and perhaps taken before 1972 and so I will give you a few of the suggestions that I have been making to my own clients. I will however draw a discreet veil over any means that you might employ to accomplish these ends.

For those of you with large estates I would urge that some appropriate estate freezing device be entered upon now. This can be done by a holding company in which you retain the preferred shares, usually of two classes, voting and non-voting, but make a gift of common shares to your prospective heirs. You could also use a non-interest-bearing demand note if more convenient. You should also make a gift to your wife or to a trust for her benefit, of the non-voting preferred shares or the note, which must be scrupulously valued to be the same as the assets which you have transferred to the company in exchange for them. Such a valuation will avoid capital gains tax on the transfer and as far as I can see now, there is nothing in the White Paper that will render the freezing ineffectual as protection against estate tax in the years to come. Recently the Department's own Information Circular 47 has given as an even better tool than non-voting preferred: a non-interest-bearing demand note. The Circular tells us this will be valued at face value and thus will not give rise to gift tax.

You should of course also consider term insurance to cover the period of three or five years that you must survive after disposing of the preferred shares in order to have the entire value out of your estate. We do not yet know, but can only hope that this type of estate freezing may also avoid the possibility of an unrealized capital gains tax attaching at your death.

The only disability that I can see, if the White Paper concept of Widely-Held and Closely-Held companies is retained, is perhaps the forfeiting of the ability of the holding company shareholders to elect to be taxed as a partnership.

Something else that you might consider in 1971 is to dispose of any goodwill or accounts receivable. You might also prepay any expenses, admit new partners to professional firms in order to avoid capital gains tax on their entry and get yourself ready to go on an accrual basis if you are now on a cash basis. Some people advocate the acquisition and utilization of loss companies before the end of the year but in view of the nasty remarks made about this type of planning in the Circular, I would tread lightly in this area.

I would also give consideration to moving investments that you may have abroad into companies or trusts in tax haven jurisdictions. In the views of most White Paper watchers tax havens will continue to offer a material advantage over jurisdictions in which tax is payable but with which Canada may not have a double tax treaty or, for that matter even over treaty countries themselves.

It is all very well for us to look at the close to hand and rather selfish things that may be done to lessen the impact on us. One of the sad things to my mind about the White Paper Legislation as we see it now is that I and many others believe it will eventually produce a downgrading of Canada's economic position in the world. What the White Paper proposes is really to limit Canada's ability to continue to compete in a larger world. This is so because it is guided by a design for perfection which can only be measured by our own values but which will render us all more vulnerable in the wider context. There are certain inexorable prerequisites for the economic health of a nation and Canada is no exception to their application. These are an intelligent and competitive work force and the presence of investment capital. The conditions for the retention of the former and the acquisition of the latter are not too dissimilar. In short, the Canadian working and investing environment must be made attractive and competitive in comparison with other developed and developing countries.

The belief exists and is reluctantly shared by much of the professional and business community, that the Government's objectives are not to create a climate for growth and expansion, but are myopically set at repression and contraction in the name of equality and equity. The use of such words as equity and equality under circumstances that can only lead to more inequity and inequality is a contradiction in terms and disturbs thoughtful viewers of the White Paper controversy.

The problems of attempting to legislate perfection have never been effectively solved. Law itself is a paradox. Its goal is certainty and its tools are generalities and principles. To the extent that it attempts to parcel up the principles to meet individual exigencies, it loses its generality and thus its certainty. To the extent that it preserves its generality and certainty, it imposes mediocrity. As James A. Corry has so aptly said in his monograph, *Law and Policy*, published March 1959 by Clark Irwin & Co. Ltd. in Toronto, "Only mediocre hopes can be realized collectively, that is to say, through the policies and actions of government. Perhaps there is exaggeration here, but also enough of truth to testify to the need for a wide range of individual freedom for those who want to live lives well above the average in conception and performance."

It is still to be hoped that plain ordinary common sense may yet gain the supremacy, and the knowledge that taxpayers are individual human beings with human responses, needs and desires will not be overlooked. If this fact is forgotten, Canada may have the White Paper, but precious little to regiment with its provisions. Our economic island will have become reality and our isolation will be complete.

Although the Ottawa planners will be the last people to admit that they could be wrong – or lacking in common sense, it may be well to remind them that even the greatest judicial minds also fall into error.

As Lord Radcliffe said of Lord MacNaghton in the House of Lords decision in Public Trustee v. I.R.C.:

> "There are two reflections which have pressed upon me in considering whether or not to favour this appeal. One is that, if we allow it, we find ourselves deciding that Lord MacNaghten's deliberate opinion as to the construction of the Finance Act, 1894, was on this point quite wrong. That is an unusual situation, for we are accustomed to regard with exceptional respect any

> pronouncement on law by that great judge. Moreover, one would expect him to have been peculiarly familiar with such a matter as the scheme and purport of this remarkable Act. I can only say that, just as it was his talent to see further beneath the surface of the law than most judges and to discern with clarity what, until he revealed it, had been unseen, so on a very few occasions he may have been led to perceive what was actually not there. I think that this must have been one of these rare occasions."

Let us for a moment before we go look at the alternatives. To contemplate an alternative we must have some hope that this entire nightmare can still be brought within the bounds of common sense. Well, perhaps there is still just enough political and economic uncertainty around to cause that to happen if we continue to oppose it.

However, events have proved that we cannot just push Mr. Benson over by shouting, "You are wrong because –" We have to lever the White Paper aside by a better mousetrap (to mix a metaphor!) – and I think we have one – one that I'll wager many of you here are completely unaware of although it comes from your own province. I refer to the "Blue Paper" or "ONTARIO PROPOSALS FOR TAX REFORM IN CANADA", published over the signature of the Hon. Chas. MacNaughton in summer 1970.

To my mind, and to the minds of many better versed than I in economic and constitutional law, these proposals make more sense than the White Paper for a number of reasons:

1. They are simpler to implement.
2. They do not do violence to established law and fiscal attitudes.
3. They are not as grandiose and leave much that is good in the present fiscal structure still standing.

4. They encourage growth, saving and the increasing development of Canada as a world economic power.

5. They will make Canada an attractive place for foreign capital to invest.

6. They provide total tax reform, Income Tax, Sales Tax, Municipal Tax and Estate Tax, not just Income Tax.

7. They are proposals that can be as acceptable to all the provinces as to the Federal Government.

The only trouble is that the public knows little of them and Mr. Benson has said little or nothing about them in public.

I commend this proposal to you for future reading and what is more I commend you, if you can do so, to recommend it as an alternative if you believe as I do when you read it, that it is a good, sound, workable alternative. Go out and sell it. Don't let it be buried by the silence of our people who are so convinced that they know better than we do that they won't even speak about it in higher places in a certain city which I shall not mention.

This all goes back to the original thoughts that many of us have had that what the White Paper tried to do is to kill a fly on a mirror with a hammer. You may not kill the fly, but even if you do, the breaking of a mirror and the bad luck which follows may well ruin all of us for seven years.

I'll close with one quotation which is comforting, but I'm afraid perhaps may be out of date.

> "While the people retain their virtue and vigilance, no administration by any extreme of wickedness or folly can very seriously injure the government in the short space of four years."

That was said over a hundred years ago by President Abraham Lincoln in his first inaugural address and I suggest that one of the ways that the people can retain their virtue and vigilance is by going out and proselytizing the Ontario and Quebec proposals the few remaining months at our disposal. I believe in never ever giving up when it comes to fiscal matters. On the other hand we must remember that it was said 400 years before Christ "that criticism comes easier than craftsmanship".

The gratitude of the Club was expressed by Mr. Marvin B. Gelber.

FEBRUARY 11, 1971

A World in Violence: Eruption to Hope?

AN ADDRESS BY Dr. Jean Vanier

Ladies Day

CHAIRMAN The President,
Harold V. Cranfield

GRACE Father Kelly, President St. Michael's College

DR. CRANFIELD:

Ladies and Gentlemen the man that you are to meet has for the best of reasons given me not one word about himself. Perhaps the identity of those you have just received at this Head Table tells you all you need to know about our speaker without any descriptive prose from me?

Some others who came to address this club were not necessarily prompted by immodesty when they presented the chairman with twelve pages of curriculum vitae but may have been motivated only by a spirit of helpfulness. (A tiny minority, of course, *do* read and believe their own flattering press notices.) Occasionally a speaker may sit here with a self-conscious blush of pride on his cheeks which reflects the warm glow of gratitude from within him, evoked by this discerning chairman who recognizes genius! Such a one is like some of my own profession, for it is said that our collective vanity is such that half a dozen doctors living and practising in a neighbourhood cannot resist forming a Medical *Society* in order that once every six years as his term of office comes up, each of them will rejoice in being called "President". Indeed, an Irish wag declares that whenever these six doctors are from Scotland they form a Medical *College* so that, as they instruct one another, they have the pleasure of hearing themselves addressed by their colleagues as "Professor".

Our speaker knows that it is not a flattering description of himself that you came to hear, but you did come to share in the message that has been revealed to him. I do have, however, a few words to give you from the dust jacket of one of his widely read books. It is from the volume that he wrote out of respect for a man he knew better than any of us, his own father. We recall him as General, the Right Honourable Georges P. Vanier our beloved 19th Governor General whose many honours, so well deserved, were worn with such humility that he took office with these words of prayer. "In exchange for His strength, I offer Him my weakness." As the author of *In Weakness, Strength* our speaker had to "render unto Caesar" by responding to the plea of his publisher with some basic facts to establish an identity as his father's son.

We learn from this meagre source that he was born on September 10th 1928, was educated in England and Canada. After training in the Royal Naval College of Dartmouth he joined the Royal Navy towards the end of World War II and was only 17 when he went to sea! In 1947 he transferred to the Royal Canadian Navy from which he retired in 1950 and went to France to work in a Students community near Paris. He then began his studies in philosophy and theology and holds his doctorate from the Catholic Institute in Paris. So much *from* the record.

It is not until now that we learn of the real man. I use the word "real" to mean "spiritual". Our speaker sought out those, whose genetic benefactions were least with whom he shares the many talents and gifts of his own inheritance. To do this he established a village for the retarded near Paris. To these people he acts as a shepherd. It is not by coincidence that we have at our Head Table two gracious ladies whose husbands both discovered a similar answer in life. Each man served in his sphere of provincial and federal influence with the same total spiritual unselfishness right to the very end of his life.

In 1964, as I said, a village for mentally deficient adults was founded near Paris by our speaker. Here he lives and carries on his work of sharing. We need him less it seems, for he comes to Canada but once each year when it is our wonderful privilege to partake of his presence. From this parent unit in France there is now a satellite home in Toronto which I am told is similar in spirit and in purpose and is known as "Daybreak". Here it is being proved again, as Dr. Vanier established at L'Arche in France, that all of us have untapped potentials. Farming in the old fashioned manner, and craftsmanship of a variety of types, permits these people to develop work habits and create products of worth. In this way they achieve the dignity of satisfaction from toil and creativity.

You who have read Dr. Jean Vanier's beautiful poetic, "tears of silence" may well anticipate the type of message that lies behind his title: "A World of Violence; (is it an) Eruption to Hope?"

DR. JEAN VANIER:

It is difficult maybe to talk about serious things in a rather carnival atmosphere. I am not used to the elections of Prime Ministers and/or the heads of parties, and so there is a sort of emulation and excitement when one comes to them and sees the girls and the boys and the bands; but it remains that through this carnival atmosphere we have to penetrate to this other atmosphere which is perhaps a little bit more dignified. As we have the carnival outside it remains maybe a little difficult for me to call up some of the problems I would like to evoke with you, and which may be difficult problems and problems which may have caused each one of us some suffering.

I would like to speak to you about some of the feelings I have, feelings which come from the fact that I have had occasion to visit many psychiatric hospitals and I am in many ways linked to the marginal ones of our society. I received a great honour a few days ago to appear before an audience which was similar in size to this one but all the men that I was speaking to were in the penitentiary. Some times it is easier to communicate to men who are in penitentiaries, to men who are prisoners of our society and of our social conventions and of our economy; because they were men who were and had been deeply wounded, wounded because when they were young they had been born to squalor and lived in very difficult situations. There was a fantastic openness as I was able to communicate to them what I felt about the world.

I have had many occasions to visit psychiatric hospitals, occasions to meet and to be asked to go and visit people who were in homes for rehabilitation, for drug addicts and for prostitutes. I have had many occasions to visit homes for the handicapped, homes for the physically handicapped spastic children or mentally handicapped.

Just recently I have returned from India where not only did I have the privilege of meeting men and women in the slums of Bombay but visited the psychiatric hospital of Bangalor and also I had the great privilege, through the help of the Canadian government, CIDA, to help gain a home for the handicapped in Bangalor. Just three months ago we welcomed our first three men, one from the psychiatric hospital and two others from the city of Bangalor, and one who will be coming shortly from the slums of Bangalor.

In many ways I feel before men who are the masters of our economy and of our organization somewhat of an ambassador of the afflicted ones, those who really have voices to be heard, be they from those many thousands that I have visited in the slums of Bombay. I would like you to visit some of those slums, not so that your pity might be excited because a man is earning twenty dollars a month and he has to feed a wife and six children and that the price of rice is only half the price it is here in Canada. Make your calculations and you see how much rice per person per day this comes to! I would like you to go there to have your pity excited and for you to become embarrassed because of our culpability but more to be amazed by the eyes of the children or by the wife of this particular gentleman who sent his little son to go out and buy me a Coca Cola. I am not that crazy about Coca Cola but that Coca Cola was good because it had been bought by somebody who was giving the widow's mite. I don't know what percentage it was of the income but it was quite high.

I would like you to share the occasion that I had. I am thinking of the home of the handicapped in Bombay and I think of these eighty men. Not again that your pity be excited or that you gush out your gifts because your conscience is not too clear but that you might discover in the eyes of these men who have been wounded by disease the fantastic inequalities, the peace.

I remember this lad with a beautiful face. He was from U.P. in the north and here he was in this home, a Cheshire home in Bombay. He said to me:

> "You know, I am not unlucky like the others for I have not travelled and I came from a small village and I realize that those who have done more than I have, when they are sick like I am, they suffer; but I do not suffer and I like to be here and I like to hear people talk and at nights I can pray."

He said this with such fantastic peace and such quiet docility and purity in his eyes.

It is much more than that, I would like you to feel when I talk about the marginal ones of our society and try to, maybe, give you a glimpse of this society of the marginal of the slums of Bombay, of the suffering ones in the psychiatric hospital and all those who are condemned to prison, all those who have been bruised. There are a lot of bruised people in our society. I do not have to mention the numbers of unemployed in our country. I do not have to mention the numbers on welfare in one of our provinces and it is difficult to be on welfare and not to have the possibility to express oneself and to work. I do not have to mention the numbers who are alcoholics, who are on drugs for various reasons, the broken people and the lonely people of our society. In their many ways, as I say, I would like to be humbly their ambassador, though doing it badly, to those who possess power and riches and intelligence and capacity to transform populations.

I would like to be able, in this short while, to give you their vision of life. I would like maybe to make you feel how they have suffered because we, the wise, the rich, the wealthy and the powerful, have not known how to look at them with eyes that call them forth to life. We have not looked at them with eyes of esteem and respect. We have looked at them with eyes that are of pity or we have done the things under the influence of this pity which are but gushing sentimentalism. A man who is handicapped, who is in the throngs of the slums, when he has an empty stomach, all he wants is respect and that his rights for work, expression, life, and medical aid be respected. This is what he wants, respect; and not gushing pity.

We, today, are entering a new era in the history of humanity. Today we have discovered such fantastic power and we have made such fantastic discoveries that humanity is evolving from an age of childhood to an age of adulthood in the world of technique. Today is the age of moon exploration, of nuclear energy, of television, of electronics, and all the fantastic discoveries that science puts at our disposal.

A terrific stride has taken place but we must begin to be preoccupied by our regression, or at least our incapacity to progress and to match morally and spiritually and fraternally and lovingly those fantastic discoveries in science and in techniques. We all know this full well unless we want to hide our heads in the sand like ostriches. You just have to look at the situation across our globe with rising violence, with disgust amongst the young for the values that we have so long throned, which frequently and admittedly are based on social convention and acquisitions of wealth and ambition and power and the desire to grow richer without looking upon the effects that our growing richer has upon those who are less fortunate than ourselves.

We are moving into a new age, a fantastic progress in the domain of science but this progress has not and is not being matched in the domain of love and universal brotherhood. You know and I know that you should take the pulse of our society and turn your head away from the publicity and other things that are trying to fool you and you will delve into the reality of our universe and the deep tidal wave that is moving humanity towards its destiny. You want to look at the movements which may be small today but will be important and vast tomorrow; you want to see what is happening in the course of our humanity so that you will realize that mankind must take stock of this situation today and look at what is happening, look and speak to the numbers of the despised, distressed, rejected. If we do not take stock of what it means when one country has not enough and another country is throwing away and in that country that is throwing away it is deeply divided amongst the hundreds of thousands who have no work, those that are despised and those that are handicapped, those that are shut up in hospitals; we must take stock of this. This new era is going to show us something fantastic in the years to come and if we, who are in part, the makers of our society do not take stock of this and act, the tidal wave which is taking its movement already, will eventually arise at its plentitude and overwhelm us.

We must not, if we consider ourselves free men, let ourselves just be pushed by the movements or the underlying movements of humanity. Each one of us has a deep responsibility to take stock of the situation and to act accordingly to stop this tidal wave of despising on one side, and on the other despair and the breaking out of violence. There is only one way to match the situation of our day. You know full well that morality and traditional values are not just waning, they are in many ways approaching death, at least in their organized form of our society. We must take stock of this. Maybe it is not surprising for the great prophets were killed, were rejected, spat upon, crucified; be they two thousand years ago or be they in 1947 or be they with other men like Martin Luther King – shot. We must take stock of this in order to understand how we must act in this society of ours where religion and tradition, which held such a deep and important place and which preserved certain barriers, are now broken down.

In front of this breakdown and collapse of moral and religious values some cry "Victory. There is liberation. Man at last is liberated from the taboos of religion and the myths of morality." Others, on the other hand weep because of the decadence of drug misuse or free sexuality. The barriers of religion and morality, the barriers of law, have disappeared. The young question all forms of authority and the rich and the wise are distressed and feel that the young are rebellious and not good. Yet in the hearts of the young a fantastic call exists, a desire for peace, a desire for tolerance, an openness, and a compassion. Undoubtedly frequently lacking a structure, undoubtedly there is a mixed motivation, but it is so easy for the smug to criticize and condemn as laziness and abusive action. Any who have really come in contact with the young feel in them this call to break down prejudice, to meet people as people and not as members of a class or a religion or a country or a race, but to meet people because their name is Peter or Paul or Elizabeth or Guranata, or men just because they are people and because in them they have a call for love and to be loved.

The young have been too long confronted by people who gave lip service to a God that appeared to them as dead, not the living God of love, the God of the prophets, Jesus Christ, and the Beatitudes, who said:

> "Blessed are the poor and the afflicted, blessed are the marginal, blessed are those who are meek and merciful, blessed are those who are poor of heart and blessed are you if you are a man of peace and blessed are you if you accept stoning by those who believe in social convention and don't dare come out and speak in liberty concerning the teachings of peace and of poverty."

He said:

> "Woe unto you who are rich now; woe unto you who laugh and are replete now."

The young have felt, as so many of us do, that for too long has there been this lip service, that this God of mercy and of peace and justice who loves all men has not been present in the hands and the hearts and the whole being of the peoples who are giving Him lip service. The young have seen too often men and women kneeling on velvet cushions in front of the Man who was rejected by men and had on His head a crown of thorns, the most rejected of all. We have in so many ways given but an exterior lip service to the real profound qualities or the call of the prophets like Isaiah and Jeremiah and Amos, or Jesus Christ Himself. No wonder that the young have seen and felt this decollage. We talk fraternity, we talk of universal peace but for most of us, by peace we mean is "Leave me in peace. Let me retain my riches, my wealth, my house. I do not want to share. I do not want to give up my peace. I want to remain in my little domain. I want to remain in my luxury. I want to remain in my position, my smugness, my self-satisfaction." On the other side of the road are the wounded, the afflicted, the out of work, those who are in the prisons and in the hospitals, in the homes for the handicapped, and those across the seas and also those not too far away, those in the slums, and the immigrants.

And so we have gone on in this fantastically divided world between those who are calling out for understanding, not for pity; calling out for respect; and those others who are frightened to open their hearts up to the real problems of our time. With the fantastic progress in science, with the discoveries in communication today the oppressed of the world will no longer remain silent. The oppressed of the world will spring into action and we know this and we feel this, not only because in their hearts there is this desire, a well understood desire for revenge. We have to understand what it means.

The other day a man arrived at our door, twenty-six years old, frustrated. He came from a broken home. His father was an alcoholic and divorced and his mother had remarried. He hated his father, he hated his stepfather. He had nothing but his clothes, no money. He had never done any work. Those who are in good position could easily call him, "Lazy. Stupid." If anybody had stopped to listen to him and heard his tale of woe from the early moments of his existence through to the broken family, the squalor in which he lived, the entrances and exits to psychiatric hospitals, from the entrances and exits of prisons in which he had been put for wayfaring. I said to him "Have you a friend?" He said "No, I have no friend." This man in his poverty, psychological and physical, and the deep frustrations of his being called out for affection. There was a light in his eyes and a sweetness in his smile which showed his deep call for affection. What does he see as he goes down the streets of Paris? He sees the wastage from the restaurants and God knows where. Is it surprising that at some moments, his loneliness changes into anguish, his anguish turns into jealousy, his jealousy turns into hatred, and his hatred into violence. Every time he knocks on a door people are frightened and they throw him out and the prisons won't keep him because he is only there for wayfaring and the psychiatric hospital which took him in just four days before I left because he had some attitudes which were strange; they took him in and three days later rang me up and said, "Can you take him? But send two people because he might be violent." Either the psychiatric hospital keeps him because he is sick or he leaves because he is not and is not violent. The psychiatric hospitals cannot keep him, the prisons cannot, and he has no place to go. This is Peter. Peter represents so many others. I could tell you stories of people I met and talked with in India, I could tell you stories of other countries but we know of these, we read of them. Maybe we are submerged by them. Maybe we get too much of it in television and forget perhaps that at my very doorstep there is a Lazarus with his ulcers and with his open wounds.

We must not be surprised if violence does break out in our lands. We must not be surprised if delinquency grows. We must not be surprised if more and more young are disillusioned and go towards drug addiction. We must not be astonished if there are more and more school dropouts unless each one of us take stock of the situation and accepts his own personal responsibility.

I would tend to think that today the front movement of the world, beyond these problems of violence, albeit in the United States, be it in our own country, be it in South America, be it in the other countries of the world, is our inadequacy. Because of the particular situation of our world and because of the breakdown in the morality and because of the fantastic effect of mass mediae and the discoveries in science and the dangers that are awaiting us in the development of greater and deeper and simpler forms of energy to be fabricated, I would tend to think that unless we wished to enter blindly and get lulled into this world of violence and greater division, we have to come back to the realities, to the *prime* realities of life. This is no longer the time to give a paternalistic and benevolent gift or to pat one or two children on the head and give them a little blessing. The days of some superficial charity are gone, those which took some little amount of our superfluous wealth, the rest going into superfluous goods which we were buying, those days are gone.

Unless we take a new and radical form of action, unless we try to really become, each one of us, men of peace and not just the givers of gifts but really begin sharing, deeply sharing, opening our hearts, opening our doors to the afflicted, to the lonely, to the sick, unless we really take a new mode of action, a drastic, rapid serious action, committing ourselves and radically changing our lives to understand the deep friction of the majority of humanity, we will but continue on this downhill road which opens up the world to conflagration or greater despair.

Our hope is that our hearts of stone will be changed into hearts of flesh. Our hope is that in confrontation to violence we will find new forms of love, non-violence in the spirit of Mahatma Gandi, who himself lived in the spirit of the Beatitudes. Unless we adopt these new forms of action, unless we share radically and not let our bank balances mount up, mount up, mount up, unless we share, unless we become as creative in the political life and as creative in the social domain and as creative in the domain of creating homes for the handicapped, creative in the ways we can help other countries, creative in our social problems and in finding work for those who have no work, unless we have the same creativity which we use in industry and in publicity, we will continue on the downhill road which will lead to greater violence and greater despair.

But how to change our hearts? This is your problem and my problem. We are all of us deeply handicapped because we take so much for granted and we repose so much in the security of life and position. How to change our hearts, how to change our egoism into universal brotherhood? How to change our desire to acquire and to possess into sharing and oblativity? How to be transformed? How to break down the fear that is in me when I am in front of the afflicted people, the handicapped people? How to welcome them with arms outstretched and without fear? How to change this deep need to possess, in order to dispossess and to give; not in a sort of paternalistic ways but realizing that life is only life if we share? Life is not life if we give and think we are someone. Life is real life only if we share deeply, only if we give and receive, only if we spend time, only if we welcome into our hearts and into our homes the afflicted ones.

This our problem. How are we to break down the barriers of security that we have built around us and open ourselves up to compassion, to tenderness? How can we use our intellectual powers, our creativity, our technical apparatus; not to flee from compassion but to make of this world a world of greater fraternity where inequalities are banished, where injustices are banished and where each man whatever his race, his religion, his country, his class, his birth, his up-bringing might be able to find equal opportunities so that they might progress in love and in truth and in well being?

Here we find all of us extremely impoverished because each one of us discovers himself as poor and we find it difficult to break through these barriers which are built around us. This we know and this I believe, and maybe each one of us here believes that only the spirit of God, the spirit of love, the spirit of peace can break down these barriers in us. Only if I permit the spirit of God to enter into me so that I might become in all reality a man of peace, a peace which is not slumbering in self-satisfaction but a peace which is dynamic, sharing so that our universe might be unified not by technology but by human fraternity and by deep understanding of all people will it be achieved. Only if we let this spirit of God come into us, change our being, break down the fears which are in each, break down the barriers that each has created in himself, then only will each one of us be able, without fear, to love his brother, be he in India, be he in the slums of Bombay, be he in China or in Czechoslovakia, be he in Holland or be he in the slums of Toronto, be he in the luxury apartments of Toronto. We will love each of our brothers and we will try to give hope to the afflicted and oppressed and we will try to help the rich and the powerful, and those who are famous, to discover that life is not possessing but life is sharing and opening oneself up. Only then will our world come gradually to the discovery of a new dimension, the dimension of love, the dimension of fraternal unity. Only then will we begin to taste some of that wedding feast to which we are all convened at the end of our time when each one of us is called to death and when for us all, time dies and gives birth to eternity.

The gratitude of the Club was expressed by Mr. Charles C. Hoffman.

FEBRUARY 18, 1971

500 Million Questions

AN ADDRESS BY
Lorne Rowebottom,
ASSISTANT DOMINION STATISTICIAN,
OTTAWA

CHAIRMAN
The President,
Harold V. Cranfield

GRACE
Lt.-Col. W. Pedlar

DR. CRANFIELD:

I find it most interesting that the man responsible for births, marriages and deaths in Canada failed to provide me with the simplest of statistics in respect to himself. I don't know where he was born, or when, nor do I find any information that confirms or denies that he is married.

This secrecy is a fundamental to census. One may write the Bureau for census information about oneself but the Dominion Bureau of Statistics will not provide such information to any one other than the person who gave this information or his legal representative. So, if our speaker doesn't have these facts about himself, and I judge he did not, since he did not provide them for me, he must write himself a letter and if he considers he is an appropriate recipient of such facts he will release this information to himself. This is how he will know when he is entitled to old-age assistance for example. It gives one great confidence in the Dominion Bureau of Statistics to realize that personal information is safe-guarded so completely.

From the record, then, he came into being as far as the Great Statistical Machine is concerned in 1943, for that is when he joined the bureau. Prior to that he probably existed somewhere but to my information in hand I can say with complete positiveness he has been a life-time student of statistics and how to gather them. Of course he came qualified to this work for he had his degree in Economics from the University of British Columbia and it would seem likely that he has his origins in British Columbia for that is where he went to work, armed with his "sheep skin". He joined the Bureau's Regional Office at British Columbia and spent three years there. The Dominion was then in the post-war years and you will recall the inflationary state of Canada at that time. The country needed a specialist in price statistics and he became that person. Living costs are the direct result of price changes and the methods of measuring these changes were developed by our speaker. His skill at this was recognized by his being appointed as the Director of the "Prices Division" early in the years that followed.

The growth of this area of government necessitated that Dominion Statistics functioned best as a separate department. So by 1966 our speaker became Assistant Dominion Statistician with his responsibilities extending into the academic and political spheres as well as retaining a continuing interest in vital statistics as they affect us all – births, deaths and marriages. Education, health and welfare, agriculture and consumer prices are all subject to his direction and scrutiny. Despite this long preparation it is a tremendous task he now undertakes, for it is the biggest peacetime operation this country has known! With great rapidity he must recruit and train a census "army" larger than the first three divisions of Canada's military army in World War II. As that was a national emergency they took only six months in 1939-40 to be mobilized. His army must be ready in half that time (three months) and be fully operational. In the light of this, our guest speaker is being properly introduced as the Field Marshal of our 1971 census battalions. His subject, as you have read it on the cards circulated to you in the mails, is "Five Hundred Million Questions". Gentlemen, here now is Mr. Lorne Rowebottom, Assistant Dominion Statistician, Ottawa.

MR. ROWEBOTTOM:

Mr. Chairman, it is an honour and a privilege to address the Empire Club on the subject of the most important taking of an inventory, ever to be performed in Canada – namely, the 1971 Census.

One of the first principles which teachers of public speaking emphasize, is never ask a rhetorical question, because if you do, someone is liable to give an answer you don't want. I would like to start by breaking the rule and running the risk. Which is more important, to put a man on the moon or take a census? If human beings had to decide whether to do one or the other, I think there would be no doubt that they would conclude that it would be more important to know how many people there are on this earth, where they are located, and something about what sort of people they are and what they do; than it would be for an unknown number of people to put one of their own kind on the moon. But, we need not seriously address ourselves to the alternatives since man has decided to do both. Actually, of course, that is not quite true. A group of people living on the North American Continent, between the 49th Parallel and the Rio Grande, have decided to put a man on the moon. But, men everywhere in all countries have decided they must know those things about themselves which can be learned only from censuses. Thus, the Census Office of India will hire over one million enumerators to take the next Census of that country.

As to the second question, which is more difficult, I posed the question not because I intend to answer it, but to suggest to you that the difficulties are of the similar order of magnitude, although vastly different in kind. Let me suggest a few of the most significant differences. First, with every landing on the moon it becomes progressively easier and if they become important enough, they will become routine. Not so with censuses, partly because they are taken so infrequently – we have only had the twelve in one hundred years of census-taking in Canada – partly because census objectives keep changing, and what was a good census, adequate to the needs of an earlier decade, would, measured by today's requirements, be a poor thing indeed. But the greatest difference relates to the differences in the number of people whose co-operation is required to produce a good census, and I would argue that it is more difficult to get a total of 500,000,000 correct anwers provided by 21,000,000 people, than it is to put 1, 2 or 10 men on the moon for much longer periods of time than the few hours so far achieved.

Two other significant differences relate to resources available to do the job, which are quite different order and finally the fact that a moon-launching is more postponable than a population census. Ready or not we are legally obligated to take a Census this June 1, 1971 and we will do our best to have all systems GO, but there are no possibilities of "holding".

I should like first to put the census in a context of a complex of management information systems, which is the product of the Dominion Bureau of Statistics. DBS is itself a large complex organization with an annual budget of some $40,000,000 and over five hundred programmes of statistical production and analysis. You will all be familiar with some DBS statistics, but to illustrate the range of the products we produce, I would simply enumerate the following sample of subjects for which DBS produces an array of information – prices, production, employment (and unemployment), international trade, transportation, retail sales, gross national product, productivity, international balance of payments, and income and expenditure of corporations and governments. But, in addition to such other economic aspects of Canada, DBS measures critical aspects of the demographic, economic and social conditions of the people of Canada. As you might expect, we start at the beginning, and produce statistics of birth, and then education and marriage; and people at work, and their incomes and how they spend them, and the illnesses they acquire through life and how they are treated and cared for in hospitals and welfare institutions; the crimes they commit, the jails they occupy, the universities they teach and learn in, and finally of course, we observe death and its multiple causes. But, the statistician is concerned with life not with death, and with the human, social and economic facts and conditions of life.

And the reason for all this is, of course, not to satisfy the human, or even the statistician's curiosity about the human condition, but because in our complex world, information has become essential to enable us to manage our affairs as well as we do, and it constitutes an essential basis for improvement in economic and social policy and programmes in both the public and private sectors. I am sure that it is a common place to members of this audience that no large business could long survive without knowing a good deal about its internal affairs and the markets in which it buys and sells. It may be less of a common place, but it is no less true that a country – a province – a city – cannot effectively or efficiently manage its affairs without comparable information – which very frequently exists in the form of statistics – or not at all.

And, of course, central to management of our affairs is knowledge of our basic resource – ourselves – we the people of Canada. The foundation of our knowledge – and in a good many instances the extent of it – about Canada's population is derived from censuses. For a census is the only occasion on which we acquire a comprehensive body of information about all the people, which makes it possible to establish comparisons and relationships between a large number of variables such as location, age, sex, occupation, income, education, mobility, marital status.

Before leaving this subject of Why a Census, and turning to ways and means, I would like to make the point that the statistician is the agent of those who want statistics. His actions mirror the needs of our society, and while he fashions the instruments of measurement, it is the user of his product that determines what he measures. Thus, in the months ahead if (perhaps when is the better word) you are annoyed at snooping nosey statisticians who ask so many questions, remember, if you will, he is acting on behalf of others who have a real "need to know". If he is to create an output of statistics, the statistician requires an input of data – of answers to questions – which many people find it annoying – to say the least – to answer. It occurs to me that the process of "knowing oneself" may be just as difficult for us collectively as a society, as it is for us individuals to follow Socrates dictum, "Know thyself".

THE 1971 CENSUS

The increasing complexities of modern-day problems of planning, administration, and research, have led to a substantial escalation in the demand for census information. More statistics than ever before required of one census will be expected from the 1971 Census. Regional development planning, urban renewal projects, education and manpower programmes, poverty and welfare assistance measures, and marketing research analysis, are some of the fields in which increasing needs of users have been articulated and evaluated during the planning stages for the 1971 Census.

The Census will, in effect, be a stop-action snapshot of Canadians on June 1, 1971. In many ways it will tell us how far we have come. It will also help us to plan where we want to go.

The original legal purpose related to parliamentary representation remains, but the Canadian census of today has far wider uses than to apportion electoral representation. Its importance hinges on its role as an inventory of the people – their numbers and local distribution, age and sex structure, language, ethnic and religious composition, educational attainment, occupational and industrial employment, income levels, housing and agricultural conditions. Of critical significance are the uses made of the census results in the development of plans and the formulation of social and economic policy by government departments and the business community.

Governments, business, universities, individuals – all of us – need good information to make good decisions. The census will provide that kind of information. Uses of census statistics are almost endless. This explains why Canadians have always co-operated so completely in census-taking.

Canadians will find that something is different when the Census of Canada is taken on June 1, 1971.

In the 1971 Census you, or someone in your family, will be your own census-taker. You can study the questionnaire and accompanying instructions on your own time, look up records where necessary, and check with other members of the family before setting down the answers. Or, if you need further help, you can get it on the phone, at a local number listed on the form.

If you live in one of the larger urban areas, you will be asked to mail back the completed questionnaire – in a post-paid envelope provided for this purpose. That will finish your task, unless the census officials find errors or omissions that may make it necessary for them to contact you.

In other areas, the census representative will call to pick up and review the questionnaire.

Thus it will be a self-census for most of us. Only in the remote outlying areas, or where special problems exist, will the traditional door-to-door canvass be made.

Sound simple? We hope it will be – for you.

For Canada as a whole, the task is gigantic. The 1971 Census will be one of the biggest peace-time operations the country has ever seen. It will require about 50,000 workers, specially-made electronic equipment to "read" and process millions of questionnaires, computers to organize and compile the information.

The cost of taking the census will be over $35,000,000. And it's one of the best investments Canadians can make. The pay-off – for everyone – is huge.

The History of the Census

The modern census originated in Canada! And we are still regarded abroad as a world leader in many aspects of census-taking.

But the idea of census-taking goes back almost 6,000 years.

The very word "census" comes from a Latin word, "censere", which originally meant "to assess". And in those ancient days, the word was apt, because the primary purpose was to collect taxes.

But in the last few centuries, all that has changed. Censuses today have nothing to do with assessment or taxation. A modern census is the complete listing or cataloguing of a people and many of the things that affect their lives.

Under the British North America Act of 1867, a census was to be taken in 1871 and "every tenth year thereafter". This decennial census was extended to the territories and to new provinces as they joined Confederation.

In addition to the decennial census, a special agriculture and population census was taken in Manitoba in 1896 and extended to all three Prairie Provinces in 1906 to keep up with the rapid settlement of the West. This "mini" census continued every tenth year up until 1956 when it was extended to the whole country. It has proved invaluable in updating population and agriculture statistics between major census periods and plans indicate it will be continued in 1976.

Three Censuses in One

The 1971 Census will thus mark 100 years of national census-taking in Canada. And it will really be a combination of three censuses – a combined population and housing census; an agriculture census; a merchandising census.

The population and housing census is designed to tell us how many people live in Canada, where they live and the kinds of homes they live in.

Every household will receive a questionnaire. Two out of three will get a short form, requesting basic population data. They will be asked to record the name, birth date, relationship, sex, marital status and mother tongue of each household member and to answer nine housing questions.

A longer questionnaire will go to every third household. In addition to the basic questions, it will ask for further information about housing and such matters as education, employment, migration and income.

This is known as "sampling" – a technique which enables accurate conclusions about a whole society to be drawn from the replies of only some of its members. The degree to which sampling is employed is directly related to the reduction of costs and to the production of more timely results.

The self-census and the sampling method will apply to about 97 per cent of the population. The only exceptions will be those living in remote parts of Canada, where geographical and other problems make it necessary to use traditional methods of door-to-door enumeration. All households in these localities will be asked the full range of census questions.

Census of Agriculture

The farmer has a special responsibility in the census. He is asked not only to account for all the members of his household but also for his livestock, machinery, and other aspects of his business.

It is a big and important job for the farmer. Canadian agriculture has been undergoing rapid change during the past 20 years. And this year farm problems are more urgent and complex than ever.

Census of Merchandising

Census representatives will compile a list of businesses in the retail, wholesale and service trades. Early the following year, each business will be mailed a detailed questionnaire for completion and return. The information required is the kind readily available in business records covering financial activities in 1971. When the data has been compiled and analyzed, it will provide a definite picture of the value and trends of Canada's channel of distribution, from wholesaler to the final user – the Canadian consumer.

Census Questions

The intent and purpose of some census questions occasionally baffle people and cause comment. But there's a good reason for every one.

A favourite eyebrow-raiser is bound to be Question H9 on the 1971 questionnaire. It asks: "At what telephone number can this household be reached?"

Obviously, this is not a statistical question. But, with self-census procedures, where householders complete their own questionnaires and, in urban areas, mail them back to the census office, it sometimes becomes necessary during processing to contact the householder to obtain missing information or clarify answers on the census form. A follow-up telephone call is quick, economical and more convenient to the householder than a personal visit. The telephone number will be retained as part of census information.

There are also questions as to whether plumbing facilities are used by one or more households. This information is important to housing authorities. It helps to indicate the standard of housing and thus assist in identifying areas that require urban renewal or redevelopment.

Census information is so useful that interested individuals and organizations constantly suggest questions that they believe should be included.

There are conflicting pressures on the 1971 Census to keep the list of items on the Population and Housing Questionnaire and on the Agriculture Questionnaire short enough that the operation is feasible in terms of quality, timeliness and cost, and yet still meet as many vital data needs as possible.

Only questions that will yield information useful to many Canadians are included.

Long before each census is taken, working groups and committees intensively discuss the questions to be recommended for inclusion. Representations are made by federal and provincial government agencies, businesses, universities, town planning experts, financial institutions and many others. The final selection, which must be submitted to the Cabinet for ratification and approval, is made on the basis of the usefulness of a question, the cost involved in asking it, the relative difficulty of getting reliable answers, and the amount of effort it will take for the householder to provide the information.

Because of the recent emphasis on manpower training programmes, new questions will be asked in 1971 about the time people devote to vocational and occupational courses. Town planners have long needed statistics relating place of work to place of residence, so this time the address of the place of work will be requested.

Of course, answers to 500 million questions will be input to computer by complicated high speed automatic optical reading devices and the output of the computer will be statistics in the form of magnetic tapes and computer printouts which will be available themselves and which will form the basis of census publications. The computer technology available for processing the 71 census is vastly in excess of the capability available in 1961 or even 1966 and we will be using computers to make census results available quickly, accurately and cheaply. Results will be in a variety of formats designed to serve the needs simple counts of population on paper, through to complicated five way cross classifications on computer tape. In 1961, very few users of census results had computers available to them, whereas, throughout the 1970's large numbers of users will have high power computer processing capability available and we anticipate that computer tape will be a routine form of releasing 1971 census statistics.

I have reserved till the last, the critically important fact that the whole edifice that I have been talking about has as its foundation the good will and co-operation of the Canadian population, which we believe to be warranted because: first, good census statistics will make a major contribution to good government and good private decisions – second, the government is as dependent upon individual Canadians for essential information as it is dependent on them for tax dollars. There is no other source, and the citizen's contribution via his answers to census questions is comparable to the contribution he makes via his tax dollars – third, the answers he provides are secret and confidential to the Dominion Bureau of Statistics under penalty of law and in accord with 50 years of unblemished administration of the secrecy provisions of the Statistics Act. The information a citizen provides may never be identified as coming from him and the census files of DBS are not available to any other department or agency of any level of government. Answers to census questions are not sent "to Ottawa". They are sent only to DBS which is obliged under law, to not make available to any other agency except with the written permission of the citizen himself. If I may make a comparison, your answers to census questions are no more distinguishable in any of the products of DBS, or otherwise identifiable, than are the tax dollars you pay. Finally, there is a legal obligation to answer census questions. But that legal obligation will rest lightly on Canadians who have through many censuses demonstrated their willingness to co-operate with DBS, which hardly ever enforces its legal authority, but which builds its statistics on the co-operative understanding of the Canadian people.

We have been testing the 1971 census questions and methods through a series of tests which started some five years ago. These comprehensive tests and a dress rehearsal, involving a total of nearly half a million Canadians, demonstrated that the great majority of Canadian householders would accurately complete the census questionnaires left with them, and mail them back or hold them for an enumerator to call as we request.

I am confident that this coming June, Canadian households and families will make their essential contribution to making available good information for good decisions for a better Canada that will be found the results of the 1971 census – by answering 500 million questions.

Canada counts, count yourself in.

The gratitude of the Club was expressed by Mr. Robert L. Armstrong.

FEBRUARY 25, 1971

Development in Company Direction in Europe

AN ADDRESS BY David L. Nicolson
CHAIRMAN OF BTR LEYLAND INDUSTRIES
AND GOVERNOR OF THE IMPERIAL COLLEGE
OF SCIENCE AND TECHNOLOGY

CHAIRMAN The President,
Harold V. Cranfield

GRACE Dr. David Monson, Rabbi, Beth Sholom

DR. CRANFIELD:

The man you are about to meet is at the ideal age. He hasn't come to a time in life when a younger man would dare challenge his strength, for which I envy him every day, yet he has arrived at one where judgement and respect are due him for his accomplishments. Most people of his age excuse their lack of academic achievement by saying that they were caught up in the war and thus remain frustrated architects, lawyers, engineers, scientists or even physicians. We oldsters became involved in World War II *after* qualifying in our professions. He, instead, fought his war *first* and became academic later. His contribution to the landing at Normandy with the Royal Navy prompted his "mention in despatches" when there was undoubtedly lots of other things to engage his commanding officer's attention, besides this cool-headed youth doing his job courageously and effectively.

He began his education in a small school in Hertfordshire called "Haileybury", one that was firmly established before Canada's confederation. It is one of the "Headmasters Conference Schools" that are designed and conducted to bring its graduates to University admission. His professional education was acquired at the Imperial College of Science and Technology with an honours degree as a Bachelor of Science in Engineering. This is one of the schools of the great and respected University of London. Perhaps it is an indication of the regard with which his Alma Mater holds him that he has been elevated to the post of Governor of this the Imperial College of Science and Technology. He is also a fellow of the "City and Guilds of London Institute" and "Royal Society of Arts" and the "Institution of Mechanical Engineers". This latter is at #1 Birdcage Walk which sound falls strangely on the provincial ear of a Canadian.

I judge, if I interpret my information correctly, that his breadth of knowledge encompasses divergent fields since he has been chairman of the "British Management Consultants Association" and the "British National Economic Development Counsel for the Hosiery Industry". Fortunately the failure of public acceptance of the maxi skirt prevented the eclipse of the hosiery industry and also thwarted the scope of the maxi skirt slogan, "Men's eyes are now on their last legs!"

In addition to his educational interest as Governor of the Imperial College of Science and Technology he is one of the 15 member group of the Science Research Council. Perhaps the best known of these in Canada, since we see him here on T.V. is Sir Bernard Lovell of Jodwell Bank Observatory. As many of our audience are aware our speaker is Chairman of the "British National Export Council Committee for Canada" and as such, relates to the British Canadian Trade Association whose members are here in profusion to-day. So much for our speakers Public Appointments. He is prominent in the area of business as well. He holds the chairmanship of the Associated British Maltsters

Limited and is Chairman of BTR Leyland Industries Limited, not to be confused with the Motor Car industry but is involved in rubber components for them.

His business acumen, knowledge of the sciences and his commercial management skills have him in demand as a director of such diversant companies as: Delta Metal; Richard Costain; Charterhouse Group Ltd.; Black and Decker Ltd. *and* the Bank of Montreal. We are fortunate indeed that the plans of Mr. David L. Nicolson have permitted his presence here to-day to address us on the topic: "Developments in Company Direction in Europe". – Mr. Nicolson.

MR. NICOLSON:

The recent legislation in Ontario on Company Law must have been of particular interest to many of you here today, and I thought it might be of interest to you to hear something of developments in Europe in this area, and some future trends as we may see them.

There has been a debate going on in most industrial countries for at least a decade on the structure of companies and of Boards of Directors and in a number of these countries, new laws and far-reaching proposals have been introduced. The whole question appears to find its source in the growing awareness that a company as a corporate body has a responsibility to society with certain rights and duties, rather like an individual.

The last Government in Britain intended to introduce a new Bill which would re-examine the joint stock company entirely and, on November 4th, 1970, in the House of Commons, the spokesman for the new Government, Mr. John Davies, said that it was their intention to look at company law, to look at the possibility of improving levels of disclosure and to look at the situation and rights of both shareholders and consumers. This was also confirmed in the Queen's speech. So there is little doubt that we shall have governmental action on company structure in due course, although any move is likely to await a decision on whether the U.K. goes into the Common Market or not. The same thing of course is awaited in Canada, and some changes in the law have already been enacted in Ontario from January 1st this year.

This possible entry into the E.E.C is relevant because Britain may well have to consider whether she is going to adopt the new Common Market company structure, the concept of what they propose to call the Societas Europaea or S.E. – the European company. Germany and France have already put major changes in company law into effect and Belgium, Holland and Italy are moving towards the German two-tier Board system which seems to be becoming the accepted model on the continent.

On the broader scene, we have also seen the growth of the multi-national company which in a period of continuing peace – which we all hope for – emerges as the best organization for large-scale technical and marketing operations. It has to adapt itself to the needs and to the interests of the host countries in which it is working and it has, therefore, to work in a widening context of social responsibility. In America we see federal and state agencies applying pressure to improve company management and information and companies already have to disclose much more than they do in Britain.

Thus new company legislation is being introduced in most countries throughout the world, business is becoming increasingly international in character and the Common Market is on Britain's doorstep. There are grave differences between practices in the United Kingdom and other countries and we must accept that, as in all other sectors of industry and management, the Board of Directors faces change.

A brief look at some of the developments which are taking place in other countries can provide us with an idea of how things might change in the United Kingdom in the future. Looking overseas and starting with Europe, one has to look first at West Germany. This country above all others highlights the difference in thinking between the United States and the United Kingdom and other countries in the approach to Board structure.

Not too many people are familiar with the German system of the two-tier Board structure. There are three main characteristics. The two-tier Board is enforced by law; there is employee representation; and, there is a huge role played by the banks in company direction.

The top tier is represented by the supervisory board or "Aufsichsrat" and this body is the spokesman, in effect, for shareholders. It is wholly non-executive and one-third of its members are elected representatives of employees, except in the coal and steel industries where half the members are elected by employees. It meets at least four times a year, has ultimate sanction on major investment decisions, is responsible for the employment and payment of senior management, including the executive directors, and examines accounts and other reports from management before the annual general meeting. By law, no executive director can sit on this top-tier Board.

The lower, or second tier, the management Board of "Vorstand", runs the company and is wholly executive. One of these full time directors is chosen by labour and is responsible for personnel management, though he is not necessarily a Trades Union representative. In fact it is considered better if he is independent. A North American observer would be surprised at the degree to which co-determination is accepted, particularly in the steel industry. The Vorstand generally has a sizeable influence on the membership of the supervisory Board providing that the company is running well. An interesting point is that members of either of these Boards can serve on supervisory or management Boards of other companies, and they do so. You quite often find that the chief executive of the management Board of one company will be a member of the supervisory Board of another. In fact, occasionally the companies concerned arrange such representatives between themselves although this, for obvious reasons, does not extend to competing companies in the same fields of operation. No member of a supervisory Board may, however, serve on more than fifteen Boards.

To take an example, a large German engineering company; the supervisory Board has nine members. Three, or one-third, are employee representatives. Of the other six, it is interesting to note that five have degrees, four of them being technical qualifications. In this company the management Board also has nine members, of whom seven have degrees, six of them technical degrees.

It is worth noting here that this is in rather deep contrast with the quite low status of the engineer and the scientist in the U.K., so far as Board membership is concerned. In the United States you find that sixty per cent of the presidents in the largest science-based companies have got degrees in technology. The comparative figure in the United Kingdom is twelve per cent. It is clear from these statistics that we need much better bridges between industry and the Universities and we need far more engineers trained in manufacturing, marketing and finance as well, which is a prerequisite to them playing a bigger role in business in general.

As referred to earlier, the influence of the banks in Germany on the supervisory Boards is large. In fact, the supervisory Boards are very often instruments of bank influence. The chairman and the vice-chairman of the supervisory Board have special responsibilities and they must be consulted on matters concerning investment, finance and its timing. Very often the chairman or the vice-chairman is a banker. The big three German banks – the Deutsche, the Dresdner and the Commerz – are most involved. The Deutsche Bank officials between them are estimated to hold 400 Board appointments; one in three of the non-employee places on the supervisory Boards are, in fact, held by bank representatives.

The reasons why the banks play such an influential role are not hard to find. The bulk of share dealings in Germany are handled by the investment departments of big banks and, with the proxy system which they have, they control something like seventy per cent of the quoted shares of public companies in Germany. This proxy system gives general voting rights on a continuing basis and sometimes the banks exchange these rights between each other, in particular instances when they feel that one can deal better with a situation than another.

Further, no dealings in shares can take place until one year after the registration of a new company and, therefore, in Germany new companies depend upon the banks for finance and the banks keep a very careful watch during the early stages of a new public company. In fact, one can say that in general German companies depend to a great extent on the banks for making a market in their shares.

Needless to say, the banks are automatically in very close touch with industry and are equipped with technical departments and obviously pride themselves on their ability to take industrial decisions.

The same sort of thing is developing in France where, for example, the Banque de Paris et Pays Bas now has over 100 engineers on its staff. This is in direct contrast to the situation in the United Kingdom where although the institutions and insurance companies are estimated to control forty percent of the equities in British public companies, they are generally pretty loath to appoint even a non-executive director, let alone play a leading part in policy-making of a company. The Banks furthermore do not exert influence on policy-making by any control of shareholdings directly or indirectly, and are mainly concerned with the terms and security of their lendings.

There is thus clearly a considerable difference between the U.K. system and that of Germany and this may be significant if, and when, the U.K. enters the Common Market.

What do the Germans think about all this? In general they consider their system reasonable. It is felt that having employee representatives on the supervisory Boards means that discussions with the trade unions are automatically initiated at an early stage when change is likely. There is an automatic communication with both banks and trade unions. However, a number of people, including academics, economists, and both bank and trade union representatives, would like to see a closer control over management. They are not opposed to the system or the principle; it is really a question of technique. They have this lower tier wholly executive management Board, with the supervisory Board often not meeting frequently and having essentially a shareholders' trustee or supervisory function, and not being directly concerned with management although some chairmen of Aufsichsrat's spend a lot of their time with the company. Thus management have a great deal of power in their hands.

The trades unions say that the system is undemocratic. They point out that the proxy system and collaboration between banks and major shareholders is such that the ordinary small shareholder gets really very little say in policy. One of the suggestions which they have been promoting is that delegates should be elected, both to shareholders' meetings and also to the supervisory Boards, on the basis of forty per cent from the shareholders, forty per cent from the workers and twenty per cent from the public interest. This may never come to pass, but it is indicative of the pressure from the labour movement in Germany with their system as it is.

In the Netherlands, most Dutch companies now have supervisory Boards. In Sweden the Board is usually a group of non-executive directors, with the managing director as the sole member of the management on it. He, of course, has a management committee which he chairs, but the managing director in Sweden is not allowed to be chairman of the Board. So the chairman is non-executive, as in Germany.

In France traditionally you had a Board consisting of non-executive directors and only one executive director on it, but he had to be the chairman, which is exactly the opposite. However, France is now moving much more toward the German model and, although it is still optional and not enforced by law, firms may adopt the two-tier structure, the supervisory Board being called the Conseil de Surveillance, and the management Board being called the Directoire. The banks are also active in company matters. It is interesting to note that the supervisory directors are only paid for attending meetings and by a share of the profits, unless they are given special tasks to perform. A works Council is obligatory and two of its members may attend the supervisory Board as employee representatives.

In 1967 in France an Act increased disclosure considerably. Shareholdings in other companies have to be disclosed, turnover figures and balance sheets produced for each quarter and accounts have to be submitted to the Works Council before they go to the annual general meeting. Future plans affecting manpower, hours of work, conditions of employment, redundancy, production and order levels, plant projects and developments resulting in change have to be submitted to the Works Council too, as well as a general report at least once a year on past and present wage levels and plans. The Works Council is supposed to be bound to secrecy.

All of these things indicate the way people are thinking and developing Board structures in Europe and they pose a number of questions if Britain enters the E.E.C. The Societas Europaea, the European company of the future, has been drafted in provisional form by a committee of lawyers chaired by a Dutch professor. It is based very largely on the German model, although there are transitional arrangements and it does incorporate the supervisory Board principle.

In America there is a single Board system, as in Britain, but in practice it is far more akin to the two-tier system because the Board *per se* has far more non-executive directors. The non-executive directors outnumber the executive directors by three or four to one, which is the reverse of the

United Kingdom practice, and the executive committee which is chaired by the president with all his vice-presidents is rather similar, in a way, to the management Board of a German company. Far fewer chairmen are also chief executives in America than in the U.K. The New York stock exchange requires that at least two non-executive directors should be on the Board of each newly listed company. The payment of non-executive directors is again usually by attendance, but a great deal more use is made of them in various committees – bonus and salary committees, finance committees, audit and policy committees, and so on. Audit committees composed of outside directors are now obligatory in Ontario, and are responsible for vetting financial statements before they are submitted to the full Board for approval.

There are two other trends so far as America is concerned. Firstly, on directors' liability; there has been a considerable increase recently in legal actions against executive directors who have been suspected of being incompetent managers. The injury from this incompetence is, of course, to the corporation, so when a stockholder initiates action it is described as "derivative" in the U.S.A., or in Canada "representative" action, and it can be for malfeasance, negligence or ultra vires, as distinct from the United Kingdom where really a director is only liable if it is a case of fraud, although occasionally there have been cases on ultra vires. It used to be like this in Ontario too, and still is for *Federally* incorporated companies, which do not have to have Audit committees either – yet! In Ontario now, however, a shareholder can initiate action, if he first gets sanction of the Supreme Court, and has tried to get the Corporation to prosecute action first. Furthermore the Corporation may be required to *finance* the suit.

In America, however, the corporation usually reimburses the executive if he successfully defends such a suit and reimbursement is permitted in all but ten States. Furthermore, liability insurance is being developed rather like that which is available to a physician or a consulting engineer. The odium of adverse publicity, of course, remains. In Ontario too the Corporation may only indemnify a director if he achieves success in defending the action brought against him. But the standard of care, diligence and skill required has been modified to be that of a "reasonably prudent person" rather than that of a professional director, which provides some easement.

Another trend worth mentioning in American companies which is quite different from Europe relates to public affairs and corporate interest and participation in this field. Eighty per cent of the leading companies in America now have a public affairs function. This is a function which is intended to maintain relations and a dialogue with legislators, political and economic education authorities, community relations activities, corporate philanthropy and so on. It concerns itself with matters like inflation, taxation, labour relations, pollution, poverty, civil rights, urban renewal, etcetera. It is very interesting that only a small minority of these leading firms consider that their business is only to produce and sell goods. They are trying to achieve an interplay between business and education, science and the arts. It may be that America has a very different environment from Britain, where there has been so much of the Welfare State and so much government activity in these areas, but it does pose the question of whether there should not be a bigger rôle for businessmen on a semi-corporate basis, rather than leaving it all to the Government.

In Britain of course individual directors do serve on bodies like N.E.D.C., on the councils of the institutions, the Industrial Welfare Society, the Royal Society of Arts and many other bodies, but this is sporadic and voluntary and is certainly not on a corporate basis. If, in future, more bridges need to be built between business and public affairs, and if this does emerge as a desirable and natural part of our society, then I think it is a natural rôle for the right sort of non-executive director to fulfil on behalf of a company.

Turning to future changes in the United Kingdom so far as one can forecast them, it is hard not to expect increasing pressure for more supervision and information from Government, from financial analysts, from the Press, from institutions, banks, shareholders, as well as from trade unions and employees, partly in the light of what is developing in other countries. While not suggesting that it is desirable that Britain should adopt the German two-tier structure – although who knows she may have to one day if she enters the Common Market – it is clear that one cannot ignore the demands for better supervision on behalf of shareholders. We should be prepared for more disciplines, and we can expect wider disclosure to be demanded of shareholdings and other interests, more frequent reporting, more information to employees and to trade unions, more information relative to new issues. I think that more supervision will have to be provided for shareholders because the present form of British annual general meeting is really a formality and has little power to do anything other than remove directors, or alter articles. All other powers are conferred on the directors, the Board. There may also be greater accountability and, possibly, liability of directors, whilst the question of qualifications of directors may arise, quite apart from such simple things as age limits.

It would be preferable for European Boards to move toward the American Single Board model, in which a good proportion of the directors are non-executive, but the administrative and supervisory functions are represented in the same group of people.

Apart from the big companies where there is scope for what is virtually a full time non-executive chairman, the chairman of the medium-sized and smaller companies should be part-time and non-executive and something like forty to fifty per cent of the directors should be non-executive as well. If Britain does not move towards the continental supervisory Board pattern then surely supervision of management must be effected through Boards as they are now constituted. In fact there may even be some regulation of the proportion of non-executive directors one day. The non-executive director acts almost as a trustee for the shareholders as well, of course, as being available to give second opinions to executive directors from his experience, to produce ideas and to stimulate action. He must be a man of financial and intellectual independence. It is a vital rôle and one is tempted to ask whether, in the future, if this is fully recognized, a qualification will be demanded from such people. It would not be at all surprising and it could be done. The banks, insurance companies and institutions are also going to have to take a much greater interest in the administration of companies and in the question of the non-executive director and supervision.

It is perfectly reasonable to expect in the future post-experience courses to be put on at both business schools and universities in this subject. Executive directors may quite customarily move in the future as their careers develop, to a point where they will serve as non-executive directors in other companies. There is no reason why very effective courses should not be developed to prepare them for this when the time comes. One subject which might well be included is Board management. There is a great deal to be done here because, after all, the Board is part of the company management structure. It is the top part and it must be efficiently managed itself. If it is, then everything else down the line happens faster and better.

In this connection clearly Board agendae have to emphasize strategy and not administration. It is also worth making the point that the rôle of any Board of directors must be seventy per cent on strategy and policy and not seventy per cent on management matters, as is the case with so many of the Boards one sees to-day. We have to distinguish between the two and I think it is one of the failures of British Boards that they do not always distinguish between them clearly.

Excess paper, ritual and routine have to be avoided like the plague, not least of all things like drafting reports in committee. One should certainly use professional advisers and experts but not at the Board table, and Board meeting time should be kept for productive policy making. This means the careful design of short reports and I am sure most people will agree that it is much harder to write a short report on some subject than it is to write a long one. It also means ratios and graphs where you can see all sorts of trends quickly. It means getting the sequence of presentation at the Board right. The financial director has first to display the trends which are taking place, then the managing director has to follow to explain what he is doing about them. Experience in many cases shows that Board productivity, if one can measure such a thing, could be doubled, and, if so, it is likely that a lot of other people's productivity will be too.

Corporate planning as a management function has come to stay; it is vital and the Board has a real role to play in it. The setting of priorities calls for experience and breadth of knowledge and it is very doubtful whether the big issues are ever going to be settled by computers. Extension of, and comparison with, plans can be helped by computers and systems and mathematics but the broad issues depend on experience and knowledge backed by technical forecasting. This confirms the role for scientists, consultants and economists or bankers as specialist non-executive directors. Again, international operations, which are so important to-day, financial policy, personnel development and industrial relations are all susceptible to advice from particular types of non-executive director.

The chairman has to study the contributions that these men can make and blend them all together. He has to see that they are paid enough to give them enough time to give them a chance to do a good job. The Board must not stumble into discussion of major policy matters; it has to programme such discussion, and it must have the right composition of members to do justice to the subject.

On a brighter note, and having said all this, as it is hard to find good men to this important non-executive director work, it will have to become more attractive. There will have to be higher fees, although possibly payment by attendance, share options, pensions and possibly contracts as well.

The gratitude of the Club was expressed by Col. E. A. Royce.

MARCH 4, 1971

Three Hundred Years

AN ADDRESS BY Rt. Hon. Viscount Amory,
K.G., P.C., G.C.M.G.,
FORMER GOVERNOR OF THE HUDSON BAY COMPANY

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Dr. N. Bruce McLeod

DR. CRANFIELD:

My Lord, in the northern hemisphere recurring *March* winds of great force are the expectation! In the past nine years these have been unusually fierce three times in March, in 1962, 1967 and again this year in the Toronto District. This phenomenon is quite without relation to the presence on our platform at these precise times of our distinguished guest of to-day.

The Empire Club of April 5th, 1923 listened to an address by Lieutenant General Sir Robert Baden-Powell, the founder of the Boy Scout movement. I rather suspect that most men in this hall were Boy Scouts and so will be familiar with the slogan of the Scouts, "Be Prepared". Our speaker who allied himself with the Boy Scout movement exemplifies this better than anyone, perhaps including Sir Robert. To serve as Chairman of the *Education* Committee of the Devon County Council, can you think of a better *preparation* than to attend Eton as a school boy and later Oxford's Christ Church College? In anticipation of World War II he *prepared* by twenty years service as a territorial officer and began active service in 1940. At Arnhem he was part of the air-borne troops though over 40 years of age and he was severely wounded and became a prisoner-of-war in that engagement.

Immediately post-war he was persuaded by Sir Winston Churchill to be a parliamentary candidate and was successful. He remained in the Commons until 1960. While serving as Chancellor of the Exchequer in 1958-59 he brought down budgets that have been the envy of Canadian and British governments ever since. (One example was a tax reduction of 9 pence on the pound!)

It is said that it became evident to his friends that he was the logical next Prime Minister by 1960. To him, the horror of this prospect was only relieved by his elevation to the peerage in October 1960. He thought to hide out in the House of Lords but his talents were not permitted to languish and in 1961 he was named High Commissioner to Canada. Students of history will recognize that the European Common Market discussions for Britain's entry were red-hot issues at this time and Britain required the great skills of this well-prepared person to bring into balance the thoughts and reactions of Canadians should Britain's entrance to the Market become a reality. What would it do to British Canadian Relations?

It was the year following this that we were favoured by his address titled "The Commonwealth". This classic presentation, 9 years later, is still recommended reading. Should you follow my suggestion you will discover why the "Empire Club" has not changed its name to the "Commonwealth Club", for the word "Commonwealth" *still* defies definition. The structure of the Commonwealth, known to you all, is a union of countries of such a variety of governmental systems (many of whom have presidents, although Canada continues to have its Prime Minister) that they could only be united under the Queen; since it is possible for her to be "Head of Commonwealth" even though she may not be sovereign to each! While serving in Canada as our British High Commissioner, a post which he vacated in 1963, Canadians became unusually attached to our speaker because of his wisdom, graciousness and wit. There is a rumour that a message in an official dispatch, going from here to the Commonwealth office in Britain, expressed clearly that he reciprocated these feelings. It is my understanding that the message went something like this: "If an Englishman cannot feel at home in Canada he cannot be at home anywhere."

So our speaker returned to Britain in 1963 – but once more he was *prepared*. This time, as perhaps with all the others intuitively, rather than deliberately prepared. An enterprise as ancient as The Hudson's Bay Company needed a new Governor. The original governor Prince Rupert was a cousin of Charles II and had his appointment from May 2nd, 1670. Who could follow the Royal appointment? One who felt *at home* in Canada was a first-rate choice as the last Englishman to hold this office and work out of Britain to do so!

His talents are not new, in his generation, as this story will show. As everyone knows the textile business is almost entirely within the boundaries of Yorkshire. This was where the John Heathcoat Textile business originated but the Industrial Revolution, when workmen felt machines were going to take over their jobs, resulted in some mad riots. The Heathcoat Company suffered more than any other. It was completely destroyed. The ancestor of our speaker however was equal to the occasion. By simple oratory he persuaded sufficient employees of his firm to cast their lot with him. They *walked* from Yorkshire to Devon and the John Heathcoat Company of Tiverton was founded in this new region in the County of Devon because of the Heathcoat integrity and ability to inspire loyal support. Heathcoats remain stalwart to-day. They come prepared.

Our speaker has a background in business, as director of the family's textile firm of John Heathcoat and Company and of Lloyd's Bank, and the Imperial Chemical Industries, and he does "know the territory". This of course was proved beyond doubt in another wonderful address by to-day's speaker, made to the Empire Club on March 30th, 1967. Once more this student of the Commonwealth renewed our hope in the significance of that *great* organization that still evades description. (The Commonwealth does, after all, represent a fifth of this world's population.) The preservation of this potent relationship of diverse peoples is one of the main aims of the Empire Club.

I have purposely refrained from any really direct reference to The Tercenteniary of the Hudson's Bay Company, the second ship named *Nonsuch*, the transfer of the headquarters of Hudson's Bay Company to Winnipeg and the appointment of a new Governor. Your notice card, of course, is in error as are many acts of your president, for Lord Amory is no longer Governor. He is, if you like, the immediate past governor. I am now, My Lord, going to present the audience to you and you to them. It is my pleasure to ask you of the Empire Club to receive for the third time, you lucky people, The Right Honourable Viscount Amory of Tiverton, K.G., P.C., G.C.M.G., Former Governor of the Hudson's Bay Company whose topic is: "'Three Hundred Years". My Lord Amory!

LORD AMORY:

Thank you very much. Mr. President and gentlemen, I would like to thank you very much indeed for this invitation to come back to the Club today, and for the very warm welcome I received on this visit.

On my arrival, as I splashed down opposite to the main entrance of the Royal York last night, the streets were lined three deep. That is the kind of reception that makes one feel so warm about Canadians!

I didn't have my spectacles on and I couldn't read what was on the banners, but I imagine they were words of warm welcome.

You mentioned some events of ten years ago when I introduced budgets in the United Kingdom, and you were very kind in your reference to them. I do remember one description in my own constituency, which was a rural one, when I was reminded of the old farmer who, when he had given free cider to all his farm workers, he went around and asked them what they thought of it. They all said, "Just right, sir."

Eventually, he said, "Just what do you mean by 'just right'?" One old chap said to him, "Well, it is like this, sir. If it had been any better we would not have had it, and if it had been any worse we couldn't have drunk it." I think that is probably a fair description of my budget.

In order, gentlemen, to try to get you to treat me with the reverence which I hope you will, I would like to say that my first visit to Toronto was 48 years ago, almost to a day. I am not going to talk about that because I well remember what an American senator said to me once. He said, "If you go back to somewhere which you spent some time in as a very young man, don't reminisce. I did the other day and I got warmed up and I recalled the happy times I had had with a number of young girls in this place. Then I said, 'I wonder if any of those girls are in the audience to-night. There was one special girl I shall never forget. If she is in the audience to-night and if she shares my happy recollections I wonder if she would stand up.' And thirteen grey-haired old ladies . . . !"

Mr. President, this is the fourth time you have done me the great honour of having me as your guest. Once I spoke to you about the Commonwealth, as you were kind enough to say; another time about Canada and Britain and Europe; and the third time mercifully no trace has survived of what my subject was. . . . The trouble with being an old politician is, it was about myself!

It was, I think, a successful advertiser who said, "I first tell them that I am going to tell them, then I tell them, then I tell them I have told them." Nevertheless, you may well conclude that four times is what I think in nuclear defence phraseology is known as an overkill and perhaps now I ought to begin with, "As I was saying before I was interrupted . . . ."

About the Commonwealth I only want to say just two or three words today. Here we have a group of nations of diverse races, of differing religions, varying economies and political systems, who are all together because they are historically all part of the British Empire, and on achieving their independence these nations spontaneously chose to remain members of the Commonwealth because they felt they held certain principles and ideas in common. They belong because they want to and for no other reason at all. With a membership of thirty-one nations it is no longer a closely-knit, intimate family gathering of a quarter of a century ago. The recent Prime Minister's Conference showed clearly the existence of some strain and some doubts about the future. The term "mini-United Nations" has now been raised by some critics about this last conference because of the growing tendency on the part of some members to make prepared speeches for outside consumption, a development which I think your Prime Minister found trying, as I did.

In some of these speeches from the newer members Britain was still the main target for something like abuse and seeing that all these new countries have learned all they know of freedom, justice, parliamentary democracy and civil administration at Britain's hands that does seem a little tough, but we have learnt to be patient and we retain unshaken pride in our record in having brought so many nations forward to independence, a unique record among the empires of the world.

The future of the Commonwealth may be precarious but I for one profoundly hope that member nations will continue to feel that in it we share in an imaginative and constructive project which could prove a source of stability and understanding in a divided and perplexed world.

Now for the present what I really want to talk to you about to-day is the history of the honourable company of which I have retired from being the Governor. I came here to-day armed with a power of attorney from the real governor to speak to you to-day. He has permitted me to make a speech of which I have not shown him a draft. He has also given me the power of attorney to borrow any money if I can during the proceedings here!

On my return home after rather more than two years, very happy years here as British High Commissioner, I felt honoured when I was invited to join them as a member of the Company of Adventurers of England, trading as the Hudson's Bay, thereby continuing a most happy link with your great country. I at once embarked on a crash programme of retraining designed to convert a superannuated politician and diplomatist into a top, resourceful fur trader.

I think I told some of you once before I was a little disheartened when I retired from politics to find my name on the list of "Members of Parliament who have retired during the past decade broken down by age and sex"!

I have enjoyed my eight years with the Bay more than I can say, and sad that the time has now come that I am a septuagenarian to say "Goodbye". I would like to say it is terrific fun being a septuagenarian because nobody can hold you responsible for anything. I do advise all of you to hurry forward as fast as you can and get to that delightful age the most rapid way you can. The septuagenarian must be put out to grass or put into the House of Lords, whichever course is most convenient. I don't want to associate myself with somebody who said, "The House of Lords is living proof of the existence of life after death."

Our company's history is recorded in twenty-seven volumes, with another four or five to come, and with fifty tons of documents in our archives. I am afraid I clean forgot to bring them with me today!

That the company has had a decisive influence on the development of Canada cannot, I think, be disputed. One illustration of this is it can, I think, be asserted with confidence that if it had not been for the Hudson's Bay Company Canada's territory to-day would not reach to the Pacific, and the boundary with the United States would likely lie much further to the north.

There are two things I would like to stress at the start. First is, our company came to Canada not as colonizers but as traders. The aim was not to replace the natives but to trade with them. From the early start our people had co-operative and friendly relations with the Indians and Eskimos and these relations, to our great pride, have been sustained for 300 years.

Secondly, for long periods and throughout vast areas the company was the only constituted authority under the Crown and on the whole throughout those days of direct power the record of the company's officials was one of responsibility and humanity. Enlightened self-interest dictated policies by which the native people could be kept friendly, peaceful and contented. It may have been self-interest and not altruism but it was enlightened and fair dealing proved in fact good business.

What are the secrets of the company's survival and long record of progress? Firstly, I think it succeeded in identifying itself with the development of Canada and because it did so it usually received the support of the Crown authorities.

Second, the Adventurers of England, although with varying fortunes, continued to show faith in the enterprise and sustained the company's operations with the necessary capital and perhaps even more important in those days, by steady inflow of recruits of robust character from England and Scotland. We still have great pleasure in an annual influx of young men from Scotland coming to us every year.

Lastly, the abiding tradition of loyalty to the honourable company which has been an ingrained characteristic of its staff throughout its long history and is still an object of pride in the company today.

Our company was established by royal charter on the 2nd of May, 1670, nearly 301 years ago. Our first governor was, as you mentioned, Prince Rupert. He was succeeded by the King's brother, the Duke of York, and when he ascended the throne as King James II, John Churchill, later the first Duke of Marlborough, became the company's third governor.

I was trying to think how I could get you into the mood of thinking that in your present speaker now you see the embodiment of the personal characteristics of those three great men . . . but I haven't quite found a way of doing that!

Sir Winston Churchill, the one and only grand seigneur, provided a link which we greatly valued between his equally famous ancestor, the Duke of Marlborough.

In the early days the governor, with admirably independent spirit which I was too dumb to emulate, did not himself bother to attend Meetings of the Board, ever at all. In 300 years the company has had 31 governors so you can see we run about a decade each. I think probably the company feels long enough.

Under our charter rent is payable whenever the sovereign enters the original territory of Rupert's Land and consists of two elks and two black beavers. Last July I had the honour to make this traditional presentation to Her Majesty at Lower Fort Garry in Winnipeg when she visited the Manitoba Centennial celebration. The two black beaver that I presented her with are now in the London Zoo and are looking forward to receiving visitors from Canada during the coming summer! They have had a new home built for them for the London Zoo. It took three months to get planning permission. I think the first time a beaver's house ever had to be put up for the approval of the planning committee of the local authority.

It was the visit of two Frenchmen, Pierre Radisson and Sieur de Groseillier – who was afterwards in the company known as Mr. Gooseberry – to England in 1665 to lay before the King their plans for opening up trade by way of the Hudson's Bay Company that led to the formation of our company. The two Frenchmen arrived in the year of the

Great Plague, which was not an ideal moment for raising a new issue in the city or attracting, for that matter, the enthusiasm of the court. A few years later, however, Prince Rupert and some other prominent members of the court and the city bought the thirdhand forty-three-ton ketch, the "Nonsuch", and borrowed the fifty-four-ton "Eaglet" ketch from the King. The next year the "Nonsuch" returned with a considerable quantity of beaver, which in the words of the report "made some recompense for their cold confinement". Our charter, of which we still have the original in our office in London, gave Prince Rupert and his 17 associates rights of trade and commerce for the whole vast areas whose rivers flowed into Hudson's Bay, under the name of the governor and Company of Adventurers of England, trading into Hudson's Bay. On today's map that would be much of Quebec and Ontario, all Manitoba, all of Saskatchewan, half of Alberta and most of the Northwest Territories. In all, 1,400,000 square miles. . . . Forgive me, Mr. President, for wiping away a nostalgic tear at the recollection of this happy monopoly! In 1670 we had 18 proprietors; to-day we have over thirty-two hundred.

In late May or early June of each year the ships sailed from Gravesend for the factories of Hudson Bay and they were usually expected to return to the Thames in the following October. Sometimes they were trapped for the winter in the ice and only returned the following year.

During the early years the attacks by the French on the company's ships, and on the forts built around the shores of James Bay and Hudson's Bay nearly ruined the company, and for many years only succeeded in retaining one single trading post.

One of the company's servants, Henry Pelletier, earned the great reputation with the Indians for successful single-handed combat with two grizzly bears. As far as I know none of our present directors have as yet repeated this achievement. He made his way with incredible hardship across the barren ground to the forest south of Great Slave Lake.

It was not until the year 1774, a hundred years later, that the Hudson's Bay Company abandoned its traditional policy of trading only at the Bay side and then they started moving inland and building their trading posts west. About the same time a number of rival traders joined forces to form the Northwest Company of Montreal and from then onwards until 1821 violent competition developed between the two companies. In 1821 the two companies united and under the name Hudson's Bay Company entered into a period of steady prosperity, and from 1821 onwards the enormous areas of which the company held administrative as well as trading powers, included all modern Canada except the Great Lakes Basin and the Maritime provinces.

The beginning out west was really perhaps the historic inscription written on a rock in red: "Alexander Mackenzie from Canada by land, 22 July, 1793."

In 1825 the Hudson's Bay Company had established Fort Vancouver in what is now the State of Washington. The company's description of the future British Columbia was hardly flattering . . . "A vast wilderness area west of the Rocky Mountains tenanted by wild beasts and still wilder savages."

Mr. President, I do apologize to any British Columbians who are present here today.

In no part of Canada has Hudson's Bay connection been closer than with the history of British Columbia. From 1821 our company constituted the only British representation on the west coast. The company were then the nominal British administrators of what is now British Columbia and its activities covered the present States of Washington, Oregon, and part of California, and their employees explored and trapped beaver throughout Idaho, Montana, Nevada, Utah and Arizona.

Now mass movement of land-hungry Americans were bringing their covered wagons west at that time and in

1846 the international boundary west of the Rocky Mountains was settled at the 49th parallel.

The heroism and powers of endurance displayed by generations of our factors and explorers in their epic voyages by canoe westward to the coast make up a story of fascinating interest and heroism which I cannot recount to you today but of which we are immensely proud.

It has been well said that throughout the period from 1821 to 1870 the company had played the rôle of a great conservative force, preserving under British influence isolated outposts of trade and settlement which formed the nucleae of territories eventually admitted to the Canadian federation as provinces. If the company had not been established on the Pacific Coast when the tide of American immigration began to flow over the Oregon Trail it is more than doubtful whether the lord and limits of American expansion could have been held at the 49th parallel. If a base of administration and supply had not been in existence on Vancouver Island when gold was discovered in the Fraser, the entire Pacific Coast would now almost certainly be American territory. If throughout Rupert's Land and the Northwest the company had not maintained its trading monopoly and if at the Red River permanent settlement control by the company had not been established, the northward infiltration of American traders and settlers might well have pre-empted the Canadian West to the American Republic.

Could you arrange for a silver collection to be taken for the company! I don't think I can say more than that.

The boundaries of the Canadian nation today are set not by the territory which the fur trade could win but by the territory which it could hold against the advance of the American frontier.

And now I must record an event which if the press are present I hope they will get down that I do so with a voice choking with emotion . . . By the deed of surrender the Hudson's Bay Company gave up its rights to the 1,400,000 square miles, its monopoly and its powers of the government of Rupert's Land. If it had not surrendered that, Mr. President, I would not only have accepted your invitation to lunch but I would have paid for the lunch today! The acceptance of the surrender by Queen Victoria took place on the 22nd June, 1870, and on the following day an Order-in-Council transferred Rupert's Land to Canada. As compensation the company received from Canada a cash payment of 300,000 pounds, reservation of land around each of the trading posts, and one-twentieth of the land in townships was in the fertile belt.

If the press are short of space it is less important to record that fact of compensation.

I dropped a hint, Mr. President, in the federal capital of Canada with the greatest diffidence that should the responsibilities of government become unbearable my company, with its traditional public spirit, would be willing to revert to the status quo, with an appropriate adjustment for disturbance since 1870. Richard Murray, our managing director, who is sitting there, would be willing instantly to take over on receipt of a favourable response from Ottawa. So far the line has been dead, I must say, in this respect.

No history of our country could be more than a barren outline which does not pay tribute to those tough, tenacious, courageous leaders who blazed the trail westward to the Pacific. Sir Alexander Mackenzie and the Northwest Company, Kelsey, Stewart, Hendie, Hearn, Sir George Simpson, McLaughlin, Thompson, Simon Fraser, Ogden. Henry Kelsey joined the company in 1684 at the age of fourteen. Three years later, when he was seventeen, he was making journeys of 200 miles on his own and undertaking missions to the Indians. While still in his late teens he had learned their language and earned their entire confidence. At the age of twenty he was sent into the unknown West and was the first white man to see the buffalo and muskox and was largely instrumental in opening up peaceful trading to the prairie lands to the west. He identified himself to a greater extent than any other company officer with the Indians and Eskimos and worked with devoted energy to promote peace among the warring tribes. Eventually he became governor of the company's fort.

George Simpson, by any task, must be acknowledged as the greatest of all the company's servants. After barely a year's service with the company this Scottish clerk was appointed in 1821 to take charge as governor of the Northern Department, as it was called. For nearly 40 years Simpson was civilian administrator of a commercial company, ruled the vast areas over which the company had its rights, subject only to the London committee and the Crown. Among his spectacular achievements must rank high the astonishing journeys of thousands of miles which he made at unheard-of speeds by canoe in all weathers, often taking his young wife with him. His and her power of endurance must have been phenomenal. In 1841 Simpson was knighted by the Queen for his services to the Crown. His services to the company during these vital years were fundamental and decisive; as governor in Canada he ruled the company's empire and the company and indeed Canada was fortunate in its ruler.

James Douglas had been two years in the Northwest Company at the time of the union. He served in the West and Simpson marked him out for promotion. In 1851 Douglas received a commission appointing him Governor of Vancouver Island. He then represented at the same time two distinct institutions: Her Majesty's government and the Hudson's Bay Company. He proved an energetic and impartial governor and was knighted at the end of a career of remarkable achievement.

The careers of these three men, that is why I have mentioned them, have at least two things in common: quite exceptional energy and competence and that steadfast loyalty to the company's interest, to which I have already referred. In a still wider sense they have all three been builders of Canada, each in his particular way. It is of men like this that we think of with respect and gratitude when we meditate on the part our company has played in the history of Canada.

From 1870 onwards the company began developing vigorously a new role in addition to its trade in furs. This was the sale of merchandise through what has become a network of nearly 250 stores, varying from the departmental downtown store in the main cities to simple wooden premises in the far north with customers mainly Eskimos and Indians. It is interesting to record that from three of those remote trading posts (Fort Garry, Fort Edmonton, and Fort Victoria the provincial capitals of Manitoba, Alberta and British Columbia have emerged. These stores have become known to countless Canadians as "The Bay".

Then in 1960 the company moved into Eastern Canada through the acquisition of Henry Morgan & Co., itself 125 years old, with eleven stores.

Today the activities of our company can be summed up briefly as follows: a range of large department stores stretching across Canada, with the exception of the Maritime provinces. Over 200 smaller stores scattered over the northwest and north, a widespread organization for collecting furs in Canada, auction houses for the sale of these furs, and vast quantities of other furs on consignment in the international market in London, New York and Montreal, a wholesale business that branches across the country. Among the projects this handles is a brand of Scottish fire water with agreeable heartwarming qualities. I must not say one more word about that, Mr. President, or you will accuse me of advertising and rule me out of order.

Lastly, the ownership of mineral rights over that several million acres of land, these rights presently being leased to Hudson's Bay Oil and Gas Company, in which Hudson's Bay has an important investment interest. Presently, we are engaged in a bold, or perhaps you may say rash, programme, depending how you look at it, a programme of opening modern, sophisticated stores in shopping centres in most of the large cities of Canada, including, I am glad to say, Toronto. Today the company has 15,000 employees, among them an increasing number of graduates of Canadian universities, and interestingly enough, as I mentioned, a brisk annual recruitment of young Scotsmen for service in our northern stores.

About nine months ago our company moved its corporate domicile from Britain to Canada with its head office now in Winnipeg. This was achieved as a result of a new charter, a new Canadian charter which was granted to us by the Queen, as Queen of Canada, and which was referred to by the Queen in her speech at the Manitoba Centennial celebrations. The company's transfer received the approval of both the Canadian and British Governments. This does not entail the movement of any personnel, as our commercial operations have for a number of years been substantially managed in Canada. The move does mean, however, that from now onwards Hudson's Bay is a Canadian company with its internal, its corporate management, its board meetings, et cetera, wholly in Canada. The present six British directors continue to serve on the board and though there has been a substantial movement of shares to Canada since transfer, the big majority of our proprietors are still currently residents of Britain. This change was the result of a unanimous recommendation by our Board of Directors, which was readily accepted by our proprietors. This new Canadian status for our historic company seems to us an eminently sensible step and augurs well for another three centuries of service to the Canadian nation.

Mr. President, let us recall with satisfaction the long and sensible co-operation between the peoples of Britain and Canada that the history of our company represents and the loyalty and the devotion and the strength of character that has evoked from those who served it.

Finally, one word about this connection between Canada and the old country. As new generations succeed one another and the personal recollections and memories of two world wars fade, there is inevitably a danger that we are drifting apart because new interests and loyalties arise with the changing years, as it is right they should. Don't let us forget old ones entirely. Though your population has grown enormously I would guess that perhaps the majority, if not a very substantial proportion of your citizens in this great province, stem from British stock. We in the United Kingdom are proud of this and hope and think that you are, too. So many of us share a common ancestry and much common history. There are lots of Jeremiahs around who will tell you that Britain is finished. There always have been and history has generally proved them wrong. Certainly the British Empire has developed into the multi-racial Commonwealth, and certainly we at home have our economic difficulties which are calling for difficult adjustments. Sir Winston Churchill once said that the British people are only really happy when they have their back to the wall. And he said, "If there is not a wall handy, build one." Well, by and large, Britain, I believe, is still setting a good example to the world in a decent and sensible way of life. You in Canada, too, have your problems in reconciling your internal cultures and working out your economic relations with your powerful neighbour to the south. That you will succeed in finding practical solutions to both these problems I have no doubt whatever. The Canadian nationhood is strong and further growth and development are sure.

Mr. President, let us each count our blessings, take pride in our common history, and fight with courage and enthusiasm the challenging and exciting future.

The gratitude of the Club was expressed by Brigadier General Bruce J. Legge, Q.C., E.D.

MARCH 11, 1971

International Credit on Capital Markets Now & in the Future

AN ADDRESS BY E. J. W. Hellmuth,
DIRECTOR, MIDLAND BANK LIMITED

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Hugh M. Bedford-Jones

DR. CRANFIELD:

From your advance notice card you see that our speaker works for a bank called the "Midland". Leaving out the Bank of England, the Bank of Scotland and the Bank of Ireland it is about as established as any of the 150 major banks of Britain for it was founded in 1836. Which makes it just younger than the Bank of Nova Scotia 1832 (Mr. Boyles) and much older than the Royal 1869 (Mr. Anderson) and the Toronto Dominion (Toronto 1856) and (Dominion 1871) present charter 1961 represented here by Mr. White and is much older than the Canadian Imperial Bank of Commerce (Imperial 1875) represented here by Mr. Greenwood its president and of course *junior* to the Bank of Montreal 1817 represented by Mr. R. L. W. Softly. But if my arithmetic is right The Midland has more money on deposit than any of the great Canadian banks except two, The Canadian Imperial and the Royal, and stands second in position of the great British banks with *2623* branches in England and Wales. Barclay's has *2630* branches and Lloyds *2000* branches. Its deposits of two thousand three hundred and twenty-one million pounds, again place it ahead of Lloyds and just behind Barclay's.

The Midland Bank Head Office is on the site of the former St. Mildred's Church which is part of a place designated as "Poultry". Poultry is a former market place and in 1444 the London Common Council received a petition of protest against live poultry being kept in the markets of the city. Just outside the door of this prestigious bank is St. Mildred's Court – but up to 1754 – 310 years after the petition it was still known as "Scalding Alley" because the birds were scalded before being plucked. Three hundred years for action! – that beats our own City Hall. This is a single-lane-one-way street and when I went there by appointment two years ago to make this appeal to our speaker of today, by taxi, I found it to be as narrow as any Cornwall country lane – except that instead of hedge-rows I was surrounded by the canyon walls of the surrounding stone buildings. In this setting then you find *antiquity* in its origins, *size* in its many branches, capital in its billions of dollars and to use an Americanism "know-how" in its management. The topic of today's address, "International Credit on Capital Markets, Now and in the Future" demands that our speaker have experience in world markets. He has this! His banking duties created opportunity for travel in the Middle East, the Far East, United States, Australia, the United States of Soviet Russia, Communist China and of course regularly to banking institutions in all the European capitals.

Our speaker has three very special qualifications to be here today. The first of these is his affiliation with the Canadian armed forces for he served two years with the 2nd Canadian Corps and those of you who were there recognize Neimegen as the focus of this Canadian action. He was awarded the Croix de Guerre and I understand is an officer of the Order of Orange of Nassau, the latter he tells me was because of a tremendous party he put on one night which of course is quite a ridiculous story.

His second special qualification for being here is that he has *always* been a banker. He was born in London in 1907, the famous year of the birth of Hans Selye and your chairman. He entered the Midland Bank just after his 17th birthday in 1924 and his banking qualification is further supported (2 years later) by winning the Beckett Prize for first place in all England in the Institute of Bankers Examination.

The third and final special recommendation is that he has always had orientation in International banking. This, for example, was as the United Kingdom member of the Joint Foreign Exchange Agency in Germany. (Incidentally he is fluent in German having learned it in a 9 months total immersion banking experience in Germany as a young man.) I think it is especially noteworthy that he pioneered East-West trade with the U.S.S.R. by facilitating a 100 million dollar financial arrangement with Russia. (Pounds sterling not rubles.) The ultimate in East-West trade was to indicate to Communist China at a time when Communist China was not necessarily popular in Britain that their credit was good at the Midland Bank of which Mr. Hellmuth is Executive Director. While I shall not name them he is on the Board of Directors of a dozen banks in Britain, Malta, West Africa, Brussels, New York and Canada. Surely he is The International Banker and is therefore fully qualified to present his topic, "International Credit on Capital Markets Now and in the Future." I now give you Mr. Edward John William Hellmuth whose friends (of which I count myself one) call him Tony. I give you Tony Hellmuth.

MR. HELLMUTH:

Mr. Chairman, ladies and gentlemen, thank you very much indeed, Mr. Chairman, for your very kind introductory remarks. I must say, going back to the time of the war years when I was privileged to serve on two

Canadian Corps staffs, I little thought when I was sitting in my tent just outside Nijmegen and blessing the Canadian custom of living in tents rather than quarters, that I would find myself twenty-seven years later addressing the Empire Club in Toronto.

Mr. Chairman and gentlemen, I am delighted to be here once again in Toronto, and I appreciate very much indeed the great honour you do me in asking me to address you.

The Chairman's introduction has outlined some of my qualifications; whether I deserve them or not I cannot say. I can say that I have found myself in the hotseat of international banking certainly in post-war years and I did presume, therefore, to talk about international credit and capital markets today. I do so as a parochial clearing banker sitting in London and looking out across the world and watching the capital market develop.

I well remember being in Toronto in 1963 at a time when we in the Midland Bank were thinking in terms of the multi-national investment banks that were at that time being pioneered. We set up, in our own case, the Midland and International Banks, which includes as one of our partners the Toronto-Dominion Bank, the First Bank of Australia, and the Standard Bank.

Whilst I was in Toronto I was talking about this new institution, this new sort of dimension in banking, as we thought very modestly this bank would be; an investment bank. The bank we were thinking of founding was to provide a so-called awkward term of finance, the period which is too long for the ordinary constituent deposit bankers and too short for the institutions. These sort of three, five and seven-year credits.

Whilst I was in Toronto, as on this occasion, too, obviously I was questioned about sterling and I was asked just at that time what did I think of the future prospects of sterling. What I said in 1963 does not necessarily follow in 1971, but I was able to say when we were setting up this bank in London, based on what Lord Culver, who was at that time the Governor of the Bank of England and now the Ambassador in Washington, had said.

We were thinking that at long last the United Kingdom had in fact got itself back into a balance of payments viability position. We thought, too, that sterling would be much stronger in the future and the fact that we have been living on a thin red line of reserve, on a knife-edge in the post-war years defending our pound sterling, convinced us that we had sufficient expertise in managing our affairs, and the opinion of the Governor of the Bank of England at that time was that we should be in due time opening up the London capital markets once again in terms of sterling. He also envisaged the dismantling of exchange controls.

Well, I talked in this way during my visit and it was not long when I got back to London and I discovered that the balance of payments' position, which had improved, deteriorated over the following years, as you know. Instead of sterling once again being used as a reserve currency and the London market being capital market available in terms of sterling for overseas investment, we found ourselves applying further stringent restrictions on the use of sterling, even to the extent of using sterling within the sterling area.

Where in the past we had always assumed this would always be available for transfer and for investment purposes in transfer across to Australia, South Africa, and Eire; these particular areas were subject to so-called voluntary restraint and we did restrict the investment which was permitted in sterling into these areas.

In addition to that, too, what was traditional about the London money market and the facilities provided by the banks – the acceptance business had always been made available for the financing of third country trade. It was one of the sort of functions of the reserve currency to provide this facility and we felt it was a very retrograde step when it was decided in the context of our balance of payments' difficulties that we had to withdraw these facilities.

London back in 1964-1965 had itself the infra-structure of institutionalized approach to financing. It had, if one may say so, the expertise. It had what is vitally important in international banking (and that is why one comes to Toronto, too), the contacts, the overseas contacts that are necessary. But they had not got the raw material to use for their particular financing projects.

It so happens, of course, that just about that time the so-called Euro-currency markets were merging, based at the early stages on an interest differential mainly, of course, in terms of dollars, in that a rate was offered above the regulation Q ceiling for the deposit, and the borrowing was on the basis of a rate which was competitive with the actual costs of the prime rate of all facilities provided by U.S. banks.

Very quickly this market grew apace and through particularly the institutions in the London market, found they had access to currency finance which could well take the place of the frustrated operations which had always been planned in terms of sterling.

Now today I don't need to repeat to this sophisticated audience the figures we have in view of what our Chairman has been telling us today about statistics. The Euro-currency markets are estimated or guestimated to perhaps have achieved a figure of fifty billion dollars today.

As I say, born from very small beginnings this fantastic pool of international liquidity, this sort of modern lubricant of international trade, is a market which provides today the vehicle for a vast amount of overseas finance. We have through these markets, and mainly, of course, Euro-dollars, we have the banker facilities of straight Euro-bond issues in dollars or in other currencies. We have short, medium, long-term finance through specialized institutions. We have convertibles; we have units of account. We have all kinds of innovative methods of financing which have been introduced in the context of this vast market.

Of course we usually assume that this market is being based mainly on the U.S. balance of payments' deficit in that the bulk, eighty to ninety per cent of these funds, are in fact U.S. dollars. The growth of the market is not necessarily linked to the size of this deficit, as, of course, one can tell from the actual figures disclosed of the U.S. liquid liability to foreigners in 1967, which was roughly thirty-three billion dollars, and in 1969 it will go into something like forty-one billion. During this time the Euro-dollar markets should grow from a figure of seventeen-and-a-half billions in 1967 to something like thirty-seven-and-one-half billions in 1969. This tremendous flood of international liquidity is without any overlord control. There is no multi-lateral controls at all over the way these funds move around. It works on interest considerations; differential. There is no lender of last resort, although, of course, there is a certain tacit acceptance of responsibility in terms of domestic institutions, but it is free from controls really on an overall basis; although, of course, subject to controls which the central banks are able to introduce from time to time based on sometimes domestic monetary considerations and, of course, by the active operation through the Bank of International Settlements, which is a federal reserve, and through the commercial banks operating sometimes at the behest of the central banks. Sometimes, too, the central banks are able to exercise control by the specific exchange controls and by suasion, which is a very powerful weapon of the central banker over the commercial banks. They can also go into the market and adjust the actual swap arrangements to fit into the domestic situations which may arise as a result of Euro-currency funds floating from one country to another. They can intervene actively in the forward markets but it is a very fascinating situation in that we have today Euro-currency funds totalling, say, fifty billion dollars which in terms of GNP probably exceeds most of the European countries' GNP. This vast amount of funds is there which has been harnessed, as I say, in a very sophisticated manner, and has been provided with secondary markets and all the services which specialized institutions can provide.

Why am I talking so much about this Euro-currency market? Simply because really it has completely conditioned the London market in the past few years. The Governor of the Bank of England at a recent banquet of the Overseas Bankers Club mentioned, instead of talking about the domestic scene and the credit squeeze, which is the usual miserable topic which he has to adopt, he was able on this occasion to talk freely about the breadths and depths of the London financial markets based on the Euro-currency funds. He was able to say that in the last year or two we have had an absolute influx into London of all these overseas banks, particularly American banks. We have already had the Canadian banks there for many years so they don't need to come in there. They are very welcome and very important members of our market. Today we have something like 160 overseas banks operating in the London market, representing something like fifty countries, and outnumbering the British banks by two-to-one. This is a very lively situation and it is reflected in the cost of banking accommodation. On the ground floor site today it costs thirty pounds a square foot in London. The Governor of the Bank of England was reminded by McKinsey's when they were in there recently that he has a very large paper wastebasket and that the cost of this particular wastebasket's accommodation was roughly thirty pounds and he ought to do something about it! Well, I don't know whether the Central Bank is permitted to deal with the vast amount of paper which must come his way but certainly I suppose it does indicate the vast amount that the Governor has to deal with and he probably found the best place to put it. It does indicate, I think, this situation that has developed in this city square mile.

I must apologize for talking about London but of course it is my place of business and I think in terms of the Euro-currency market it is of paramount importance.

Along with this development in the London market and on the Continent and across the world has been the challenge to the banks and particularly the international banks, of the so-called emergence of the multi-national companies. These are great, by whatever definition you use, but their management and their production across the world is against the international company. Their requirements become more and more sophisticated and particularly in terms of the U.S. corporations, which are subject to their voluntary and mandatory restraints on overseas investments. They have had increasing access to the facilities provided by these special institutions and there is something like two hundred or so in London at the moment that specialize in Euro-currency transactions of one kind or another.

The multi-nationals, because of their size and because of the nature of their operations and because of their multi-currency requirements, are in fact the raison d'etre perhaps to many of the new consortium banks that are being formed; the linking of New York banks, U.S. banks, with British merchant banks, the linking of European banks together to combat "Le Défi Américain," which I don't think is unknown in Canada. Certainly Schreiber's book says a lot about the problem which is presented within Europe, particularly in terms of finance, but I think in banking the challenge certainly is to be able to deal with the banking requirements of the multi-national companies.

If one looks at the statistics, of course, for two or three years back the multi-nationals were mainly dominated by U.S. corporations. In fact, I think the figures in 1967-1969 thirty per cent of the issues in the market were for the account of U.S. corporations, which do represent something like seventy or eighty per cent of the funds raised. In other words, we have a major banking challenge, as it were, to deal with the requirements of these multi-national companies which are not all American now. There is a great increase, quite apart from European, Canadian multi-nationals. They want somewhere to go to consult in terms of multi-currencies, to find the proper place to deposit their funds, their temporary liquidity problems, and also they want a place to go to get advice at the right level, the right type of banker who has also some time to be multi-lingual to deal with his responsibilities, to advise on the very, very broad front. These finance directors of these multi-national companies now expect their bankers to give them this on-the-spot sort of service, in that they expect not only the routine sort of facilities but they want to meet somebody who stands more or less, pari passu, in terms of international experience in advising them on their future financial policy. That is the situation as we have it in London today.

The banks, international banks, are all looking for partners. There is a tremendous amount of promiscuity. There is the merchant banks in their own area sort of wanting access to the funds provided by the big deposit banks. The big deposit banks want to widen the range of their facilities because as you probably know the clearing banks in London have always found themselves since the war in a strait jacket in terms of the domestic sort of facilities they are able to provide. They have always worked under ceilings and restrictions, directives, qualitative and quantitative credit controls. So it is in branching out into international banking and making use of the other currencies but sterling that they see the greatest possible developments in the future.

To talk about the future of the Euro-dollar market, its size, and will it persist, one obviously must do so in the context of the future. You talk about the major consideration here, the U.S. balance of payments, whether it stands roughly as it is, and it is the greatest deficit ever by whatever method they follow in assessing it. Is it going to increase? If so, of course it presents a problem in that the host countries for those dollars may find themselves not so willing to hold and to increase these dollars which are becoming available on non-residents' accounts. The suggestion that another reserve currency may be found can be looked at in the context of the negotiations that have been going on in Brussels within The Six about the economic integration and monetary integration that is to take place in the next decade. It may be, and it is most unlikely, I think, that the United States may run into surplus and then we would be presented with quite a different problem.

In all these circumstances I think that one can confidently say this great market of fifty billion dollars will persist. It will be there. It will also be the main business, I think, in the City of London for a long, long time to come whatever happens in terms of our joining the Common Market and the impact that might have on sterling as a reserve currency; or whether it becomes merged in the arrangements that will be made within the Common Market, the enlarged Common Market. I think nevertheless whatever happens – if we go into the Market or we don't – London remains the financial centre in its own right because of the ingenuity and expertise and the institutionalized infra-structure that it has which will always give it, I think, the flow of business which will give it an outstanding and predominant position in the financial markets.

I don't know how long I am supposed to speak, Mr. Chairman, but I could go on for a long time speaking to you about the implications for the United Kingdom in joining the Common Market, on the financial side and in the trading area. With a Canadian audience I think I ought to address myself on the subject, which Mr. Nicholson talked about at some length at one of your meetings. I did notice he mentioned the fact that Euro-currency markets provide a means of overseas investment in Canada. In view of some of the statements of ultra-nationalisms that I have been reading in one or two papers I am wondering whether that was an altogether very sensible thing to suggest just at that time.

I think we realize that the United Kingdom has this tremendous stake in Canada. We have this very special relationship. I am delighted to see the flags behind us today. It gives me a feeling of great pride. It takes me back perhaps to my days in two Canadian Corps when we were integrated.

As far as I can see, the position with the United Kingdom, vis-a-vis the Common Market, vis-a-vis its trading position with Canada, will be one that is not discussed so much in the negotiations in Brussels as it was some years back when Mr. Heath, before he could get on with the negotiations, said he had something like seventy different items which his Canadian friends had asked him to negotiate in detail before he proceeded with further negotiations. Today, with the Common Market negotiations well under way, and I was listening to Lord Jellicoe a few weeks ago, he indicated that there are just these three items – the Commonwealth sugar, the special position in New Zealand, and a small matter of the contribution we make to the budget in the period of the transition. The position so far as Canada is concerned, I think, is fully understood in terms of my own experience in the British National Export Council. There it is fully realized that the problems that face Canada in an attempt to diversify her overseas trade, her eye on her great neighbour with her 70 percent participation in terms of her exports; her need to look very carefully at the impact of the common external tariff and the loss of the Commonwealth preference that might flow from her joining the Market; the need to determine what is going to be the impact on the politically very sensitive agricultural products which you export across the world; the fact that in the last year or so – and I may be wrong on this – I got the impression that your export performance to the Common Market and to the United Kingdom was about 40 per cent up on the previous year. I would have thought that exacerbated to some extent that deficit which exists between trade with the United Kingdom and Canada. It seems to me you are doing pretty well in terms of your exports to the Common Market at the moment and therefore I would have thought on balance the impact that our joining the Common Market would make today would be very much less, very much more insulated, than would have been the case four or five years ago.

I think that we have no option about it. I think now if we get the right terms we are going into the Common Market and we do so with the long-term dynamic consideration very much in our minds. It could well be that the vast trading relationships and contacts that exist between our two countries could well be the sort of vehicle the United Kingdom would become for a more effective approach into the Common Market itself because the perfidious Albion will certainly get in on terms. I think Mr. Ripon has said we don't go in as shareholders; we go in as directors. We shall have something to say about what goes on inside that Market. I think we shall tend to make it more outward-looking than inward-looking and I don't think Mr. Ripon has said this, but I would have thought that is the sort of task of our philosophy in becoming members of the Common Market.

I am afraid, Mr. Chairman, I have probably talked too long. I was told to keep it down to twenty minutes. I am wandering all over the place. I think it was Robert Morley who said he had to listen very carefully to what he was saying, otherwise he didn't know what he was talking about. I am afraid I rather wandered across the scene and perhaps wandered away from my subject. I did think perhaps I should pay some reference to trade between our two countries.

I perhaps should mention I feel very much encouraged by the latest figures that we were able to read in your papers yesterday on the balance of payments' position in the United Kingdom. We had a surplus last year, much more than we expected, despite all our difficulties, all the wage explosions, price increases and very low productivity. Nevertheless, balance of payments-wise the figures are very impressive and we had there something like five to six hundred million in sterling in balance and for the first time since 1928 a balance on the current account on visible trade in our favour in addition to invisibles. I had the pleasure of working on the committee on invisibles when we examined the figures about five or six years ago. Invisibles are now turning into something like five to six hundred millions a year net and provide something like 40 per cent of our total foreign exchange earnings. Even in banking modest bankers are earning in London today something like a hundred million sterling, which is compared with the figure of twenty-five millions four or five years ago. So we are not in Euro-currency finances for our health. We make a reasonable profit out of it.

As I say, probably I could go on much longer talking in a very random sort of way. I am reminded of the little story of a working man's club up in Yorkshire and one of the enthusiastic members eventually became the chairman. He swatted up his speech. He got up and having got over the first two minutes he had no nervous trouble – once you feel comfortable it is jolly difficult to sit down. Very much as I am doing today. Eventually he sat down and mopping his brow he turned to his predecessor and he said, "Well, how did I get on?" He said, "I don't rightly know but it certainly shortened the winter." Well, gentlemen, I don't want to shorten your afternoon by speaking too long, but I do hope that you have found my odd comments of some interest. I say once again how much I appreciate being invited to address you today.

Perhaps a final tidbit, just to say that we are taking full note of the tremendous developments taking place in Canada and particularly with the European approach. I would like to say my own particular bank, along with our European friends, the Deutscher Bank, the Amsterdam Bank, the Rotterdam Bank, and the Société Générale de Banque in Brussels, these four European banks, think it is important for us to be closer to the Canadian scene. I hope in a month's time we shall be having a joint representative here who will do a job much better than Mr. Hellmuth has done today to present to our Canadian friends the facilities that are available in Europe and the reciprocal sort of quid pro quo basis the facilities for improving trade and investment between our two countries.

Thank you very much.

The gratitude of the Club was expressed by Mr. Herbert S. White of the Toronto-Dominion Bank.

MARCH 18, 1971

Churchill Falls and Beyond

AN ADDRESS BY William D. Mulholland, M.B.A.,
PRESIDENT OF BRINCO & PRESIDENT
CHURCHILL FALLS (LABRADOR)
CORPORATION

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Richard D. Jones

DR. CRANFIELD:

To build an immense power dam is no game for sissies. Toughness of fibre is demanded of everyone in such an arena. The construction of the Churchill Falls dam and its associated power station epitomizes this. Youth is not enough, its master builders need to be tempered in the crucible of experience as well. Not yet 45 years of age, our speaker of today is admirably suited to his task. Within the past year, a number of articles have been written about dam builders for *Fortune* magazine which helped orient me for today. It would seem that four important considerations must all be met if there is to be success. First one has to be able to raise considerable capital. Secondly since we live in a society that is very conscious of ecology the vociferous critics will hound spoilers of nature out of the country. Thirdly one needs to be skilful in the "political game" when one is creating a power source with the expectation of shipping the commodity across the border. Finally the engineering is tremendously imaginative when one is creating the mightiest hydro-power generator in the world. One doesn't have any model to copy. If I read the balance sheet of our speaker's personal assets correctly I find that his contribution is multiple but to my astonishment he does not seem to be there because he is a civil or electrical engineer but rather because he is skilled in finance, persuasion and management. (The engineering came later as an intellectual exercise!)

To be the person chiefly responsible for raising a half billion bond issue sets him squarely in the centre of those with ability to create confidence. This particular bond issue is reported to be the largest ever arranged on Wall Street by an investor-owned company. My information sources state that this is less than half the 1.2 billion total cost of this construction complex that will not be delivering power until 1976. When it does, however, the electrical energy it produces will be 34.5 billion kilowatt-hours per year, more than enough to provide for the needs of the entire City of New York though Mr. Bourassa may not be letting it flow that way!

What kind of man is this then? He was born in Albany, New York in 1926, received his early education at Christian Brothers Academy of that city, earned his Arts degree at Harvard, graduating cum laude and attended Harvard Graduate School to acquire his Masters degree in business administration. Before he was twenty years of age, that is by 1946, he had seen two years service in the United States Army with foreign service in the Philippine Islands as an infantry company commander. (I put that in because there are a few *old* and many *young* men of this club who think that military titles and honours are dirtier words than "fuddle-duddle". They would have you believe that it frightens young men away from the Empire Club because soldiers are all old men. I admit to having a commission as an infantry officer myself at the age of 22 in 1930 – but because I am shortly to get old age assistance doesn't make *all* who believed in peace-keeping through service to be either old or war mongers.) I digress.

Five years after the British Newfoundland Corporation (Brinco) was founded, our speaker had joined them. This was in 1958 and in eleven years he was President and Chief Executive Officer. He has many years of success in finance behind him, stemming from his early association with the investment banking firm of Morgan Stanley and Company to which he became a partner in 1962. He, no longer, is part of that firm. Our speaker has at least eight excellent reasons for being a conservationist. They are his four sons and four daughters. In addition his life is further oriented to the appreciation of unspoiled nature for he is a member of the National Audubon Society and lists as his recreational interests, fishing, shooting, riding and sailing. The enjoyment of these certainly relates to the preservation of the balance of nature.

A lake one-third the size of Lake Ontario is to feed this Churchill Falls dam, and failing to see it in photographs taken from the air suggests to me it will be created by *flooding* land. This ecological challenge has obviously been met along with the political, financial and engineering one. It seems a logical follow-through when one realizes that Brinco's President is a member of the Advisory Council, "The Institute for the Future." The Christian Century Magazine of July 1968 clearly states their purpose is to convert problems created by society's technological assaults upon nature into circumstance by which society will become the beneficiary rather than the victim of civilization.

Let us hear from the man himself. I will name but two of his appointments: President and Chief Executive Officer British Newfoundland Corporation Limited (Brinco) and President and Chief Executive Officer, Churchill Falls (Labrador) Corporation Limited who are building Churchill Falls. His topic: "Churchill Falls and Beyond". Here is Mr. William David Mulholland, M.B.A.

MR. MULHOLLAND:

I have learned from experience that it is more or less expected of me to give a progress report – a communiqué from the front, if you like – on the Churchill Falls Project regardless of the formal subject on which I am to speak. This is right enough and serves to remind us, if we need reminding, not only of the broad and continuing interest in the Project, but also that it represents the amalgamation of the contributions of many, many thousands of people in hundreds of organizations. In a sense we speak for all of them and if I am able to give you a good report of our progress it is because of their efforts.

The essential bigness of the Project is probably already well known to you. We will generate about 34 billion kilowatt hours a year. This is approximately 18% of all the electrical energy generated in Canada in 1969. The Project will cost about $950 million and is fully financed. Construction began four years ago and will continue for another six years although the plant will go into commercial service next year.

Today we stand somewhat past the halfway mark. Our peak year is behind us. Of the total estimated direct cost of the Project of $665 million, only about $113 million remains uncommitted including the balances in our provisions for contingency and escalation. Major contracts yet to be awarded include the last of three 735 kv transmission circuits, the Gabbro control structure, and the 230 kv transmission lines which will connect the Churchill Falls and Twin Falls plants. Incurred costs to date total about $404 million or about 60% of the direct cost estimate. As you probably gathered from my reference a moment ago to balances in our contingency and escalation accounts, we continue to be operating within our budget and do not presently foresee any change in this position.

We are scheduled to begin commercial service from this plant on May 1, 1972. Following the very superior performance during 1970 of our Project group and associated organizations, our schedule was restored to a proper internal balance, correcting the distortions caused by the 1969 rail stoppage, without the Project schedule having been adversely affected. Accordingly, we expect to be in a position to spin our first two units before the end of this year, as was the intention when this Project was formally committed more than four years ago.

The title assigned to my remarks today "Churchill Falls and Beyond" is rather more suggestive of prophetic revelations than of what was intended – a discussion of one or two features of the Project which seem to me to foreshadow continuing developments in the technique of carrying out large undertakings.

The thoroughness of the planning for the Churchill Falls Project surpasses anything in my experience. It began, of course, many years ago and, to some extent, is still going on. It has stood us in very good stead and I am convinced that had the quality of planning for this Project not been up to such a high standard, we would be experiencing some serious problems by now.

It is extraordinarily difficult to achieve integrated planning. Engineers prefer to talk to other engineers and so on. Notwithstanding, it is essential to achieve a marriage of disciplines early in the planning process, particularly between the technical and financial members of the family. We have achieved a fair measure of success in this respect but it is difficult to explain to someone else just how one goes about it. I am still struggling in my own mind with the problem of how best to organize or institutionalize this process.

It will probably strike you as a whimsical thought, but I would liken good planning to treading water. This is meant in the sense that one is in intimate, continuous contact with one's environment through every sense and at the same time constantly adjusting position to maintain equilibrium. A good plan is less an end than it is a state.

I would say that the feature that impresses me the most about good planning is the number of times one goes through *almost* the same exercise over and over again. It's hard work, time consuming and very often unspeakably monotonous but it pays important dividends and it is an incomparable teacher.

Good planning like the gods must grind finely. Unfortunately, this is not in the nature of most of us and part of the planning process is the waging of unceasing war on the implicit. By the time every activity has been spelled out in explicit terms and every dollar similarly accounted for, it is surprising how many hidden shoals have been revealed. It is a painful process and you sometimes wonder if it is worth the effort, but I assure you that it is.

I am always in awe at what can be accomplished by concentrated effort. Most organizations have a fairly good faculty for concentration in the face of a serious crisis. This is, in my opinion, however, a low order of sophistication as responses go. The same organization may come apart under pressure of more than one crisis at a time. A better organization will concentrate more selectively and deal adequately with the multiple crisis. However, that same organization can trigger a crisis cycle by over-concentration since the other side of the coin is neglect. As attention is diverted from the trouble-free areas to the problem areas, predictably, they too begin to go wrong. Ideally, response is measured by criticality which is a function of nature, magnitude and timing, and it is never absolute – by that I mean you never commit all the fire engines to one fire. The ability to make rational judgements is, of course, made possible by thorough planning and greatly impeded by the lack of it. A really high grade job of planning will *permit* very fast, sophisticated responses to several situations at the same time, provided the necessary information is being transmitted promptly.

Detailed, meticulous planning goes hand in hand with an effective control and management information system.

I can recall from my own experience instances of managements struggling manfully to put right a project which had gone wrong without any real chance of being successful. Why? Because they were always struggling with problems which had existed two months or three months earlier. Timely information is vital, first, to identify deviations from plan and, second, to keep the planning current.

In support of the view that all of this trouble is worthwhile, I should point out that today we are still reporting results against the original Project plan – costs and schedule – without embarrassment. The fact that we are still using the Project plan as an effective tool of Project control after four years of construction is an impressive indication of the painstaking work which went into its preparation.

While this aspect of the Churchill Falls project is intrinsically interesting, that is not my only reason for stressing it upon this occasion. As most of you know, the undertaking of large financial commitments spanning long periods of time can be a risky business and there are a number of chilling examples of this. At the same time the need for such ventures is growing all the time and I think will continue to grow. It is very important that we develop the techniques for carrying them out successfully and this is true whether we are speaking of private or public initiatives.

If long term capital is considered to be scarce in Canada, and it is, then in most of the rest of the world it is in desperately short supply. It would appear as well that on a world wide basis, at least, that the shortage is worsening and that we are falling further behind in meeting the needs which available capital, in company with the necessary skills, could help to satisfy. Ordinary prudence would dictate taking pains to decide wisely where to commit capital and following with appropriate measures to conserve it.

There has been great progress in the last few years in devising and improving these techniques so that today it is possible to approach an undertaking requiring a large investment with a reasonable degree of confidence. While the record has not in the past always been one to inspire unqualified confidence, I think we might reasonably expect to see an improving trend. We would hope that one of the benefits of the Churchill Falls Project will be some progress in advancing the state of the art in this area.

We hope too that as a result there will be an increase in the level of confidence which attends the prospective launching of large enterprises for there are a number here in Canada on a scale comparable to that of Churchill Falls which should be launched. Some, such as the Arctic pipeline, are already well known to you. Others will doubtless become so, for it seems that we live in one of those periods when mankind's needs are expanding at an almost unbelievable rate.

Other than food, clothing and shelter, one of the most basic needs is for energy in its various forms. I am sure there is no point in my elaborating upon a situation whose critical potential is doubtless as well known to you as it is to me.

For some time we have had under study the question of the construction here in Canada of a facility for the isotopic enrichment of uranium, utilizing the gaseous diffusion process. The enrichment process is an important element in the nuclear fuel cycle for certain types of power reactors in wide use throughout the world.

Uranium contains two isotopes – uranium-235 and uranium-238 – though in widely differing proportions. Uranium-238 accounts for more than 99 per cent of the uranium content while the less abundant U-235 accounts for only 0.71 per cent. The U-235 isotope is the all-important factor making uranium an effective fuel for electric generating plants. While some nuclear reactors such as the Candu reactor operate on natural uranium by using a heavy water moderator, most reactors for nuclear power plants now in operation or under construction throughout the Western world will be of the light water type requiring a higher concentration of U-235. Reactors requiring augmented or "enriched" fuel are expected to account for approximately 90 per cent of the Western world's nuclear power plants by the late 1970's.

In order to increase the U-235 content to between 2.0 and 3.5 per cent – the percentage required for light water reactors – several enrichment processes have proved workable. At present, however, only the gaseous diffusion process has been demonstrated to be reliable and economic as a process for uranium enrichment in large scale, high volume applications.

The limited availability of enriching capacity in the free world will result in a critical shortage of enriched fuel in a few years. It would appear therefore that steps should be taken at once to augment existing free world enriching capacity. We have concluded that a strong prima facie case can be made for the feasibility of such a facility in Canada. A final conclusion, however, can only be reached after further study and investigation in areas, including alternate process technology, which require prior official sanction. We have taken the initial steps to secure this approval.

In our view Canada is the best location for a new enrichment facility and the question of whether such a facility should be located in Canada should certainly not be allowed to resolve itself by default. While it is easy to overstress the importance of projects in which one is interested, we sincerely believe that this decision will be one of great importance to Canada.

Accordingly, we have asked the Government of Canada if it would permit such a facility to be located in Canada and if it would support diplomatically our initiative in launching such an undertaking, which will of course have international ramifications.

In view of the very important questions involved of national and international security, of relations with other nations and of national policy in other areas, it is unthinkable that we should undertake this project without the wholehearted approval and support of our Government.

Subject, of course, to a favourable response from the Government of Canada and to our ultimate judgment as to the feasibility of the project, we would propose to take the lead in conducting the complex commercial negotiations and in organizing, planning, constructing and managing the project.

We recognize that it would be premature to form a judgment as to the precise ownership structure of the project and will at the proper time approach this question with an open mind. We do believe, however, that this project will be dependent to an extraordinary degree upon international co-operation for its success and that, accordingly, participation in the ownership by entities domiciled outside Canada should be encouraged. For our part we are prepared in principle to welcome such participation.

A major part, perhaps all, of the initial capacity of the proposed facility would be reserved for performing enrichment services on a tolling basis. Similarly, it would be expected that a major part, or all, of the initial capacity would be committed under long-term agreements.

We have considered in our studies several sites in Canada for such a facility but are not prepared to form a conclusion as to a particular location at this time nor is it likely that we shall do so for some time yet.

By way of a rough order of magnitude figure, the cost of an enrichment facility of moderate size would approximate that of the Churchill Falls Project. Its requirements for electrical power would exceed 2,000 megawatts. It would require as feed a quantity of uranium oxide substantially in excess of the current annual production of Canada. The construction period from commitment to final completion is estimated to be eight years, during which time employment would number from five to ten thousand men. Once the facility is in full operation a staff of approximately 1,000 will be required.

One can not, as I have pointed out, make a final judgment at this point in time as to whether a Canadian enrichment facility *should* in fact become a committed project. However, contemplation of the possibility that in due course a favourable judgment might be indicated highlights another feature of the Churchill Falls Project which I think may foreshadow an important trend in the technique of carrying out these very large undertakings.

One of the very pronounced and, I think, significant characteristics of the Churchill Falls Project is the variety and prevalence of partnership relationships, and one of the generally overlooked aspects of the Project is how well they have worked. This particular characteristic has attracted some attention from researchers searching for significant patterns indicating future trends in the methods of doing business. Believed to be of significance is not only the partnership form itself (as you know Churchill Falls is a partnership among Brinco, Hydro-Quebec and the Government of Newfoundland) but the feature of a mixed partnership between government and industry.

We have also had some very successful partnership relationships operating in another dimension. The joint venture of H. G. Acres and Canadian Bechtel in the engineering-construction management sphere and the integration of the resulting organization with our own project management group both in the field and in Montreal has been in our view a very successful experiment. Something of the spirit if not the form of partnership is also evident in the field of labour-management relations. It says something for both the skill and the spirit of both sides of that relationship when you realize that we are now in our fifth year of construction with a history of harmonious relations which is in marked contrast to the general experience in this area.

I could elaborate further on this aspect but I don't believe it is necessary to do so. I would say instead that I personally believe that an increasingly important determinant of success in carrying out and managing projects like the Churchill, whether the initiative in a particular instance comes from industry or government, is going to be the skill with which these relationships, which are never exactly the same twice running, are created and conducted. If this is right it portends both a tremendous challenge and a tremendous responsibility for leaders in business and government charged with getting these jobs done. More than ever before it will require not just experience and technical virtuosity but courage, wisdom and integrity to forge and preserve these partnerships for progress. Without the same degree of support from precedents, rules and established organizational contexts as we have been accustomed to in the past, it is true that a greater burden must inevitably be assumed by the men involved in these undertakings. At the same time, however, the opportunity is there to grasp, if they will, of creating new and better ways of responding to the challenges of our times.

Looking back upon our experience in Churchill and ahead to the requirements of such new challenges as that of the nuclear fuel project which I outlined to you a moment ago, I think that this trend, if indeed it is a trend, must be to the good. For does it not suggest that even as we move inexorably toward bigness, complexity, and sophistication the *quality* of the man and of his relationship with other men is paradoxically becoming not less but more important?

The gratitude of the Club was expressed by Mr. H. N. R. Jackman.

MARCH 25, 1971

Britain's Scientific and Industrial Achievements

AN ADDRESS BY Lord Bessborough,
SPECIAL ENVOY, DEPARTMENT OF TRADE AND INDUSTRY, U.K.

Ladies Day

CHAIRMAN The President,
Harold V. Cranfield

GRACE Dean the Rev. William Prior, B.A., D.D.

DR. CRANFIELD:

On April 4th, 1931, almost exactly on this date, forty years ago, Lord and Lady Bessborough arrived in Halifax. The 9th Earl of Bessborough became Canada's 14th Governor General and, scientifically and technologically, history was made. The first radio broadcast of such an event ever to be heard across this great country was made on that occasion. A very large chain of Canadian stations were involved as were two of the major chains in the United States.

One part of Canada certainly was left out of this coverage and this deficiency has only now been possible of remedy. Just two weeks ago the News director of CHUM wrote to me to say that the speech to the Empire Club made by Viscount Amory was being broadcast over their twin station CFTC at Tuktoyaktuk 85 miles north of Inuvik. This is the first of our speeches to reach these people, who until now, had only occasional reception from Radio Moscow. I am therefore thrilled to be able to announce for the first time to an Empire Club audience that a speaker of such scientific prominence as that of today will be heard by the residents of the most northerly outreaches of our great Dominion. The 10th Earl of Bessborough, who has devoted his energies and talents in the past seven years largely to the subject of science and technology and to the organization of this vast subject into an orderly pattern is the first to know that his talk reaches into the Eskimo country. Because of the complex organizational nature of his work someone has suggested that it be expressed as the "science of science".

While the precise date is not available to me, I am advised that our speaker was born in March 1913 and thus may well be celebrating a birthday today or yesterday or tomorrow. Like one of our earlier speakers he was educated at Eton but unlike him our speaker went to Trinity College, Cambridge not to another equally well known place of learning. Cambridge is a beautiful University Town to which I can attest from a recent visit there and it has an atmosphere almost compelling one to become an academic. After leaving the scene of formal education his compassion for others became heightened, for his post was as Secretary to the League of Nations High Commission for Refugees. As with so many people around the world in 1939 he left his other duties in order to stand against the aggressors who would enslave Europe. He served as a soldier throughout the whole of World War II in France and Flanders, once we were able to acquire a foothold there. Because of his scientific orientation he was committed to tank-gunnery research, which I believe also engaged the skills and abilities of our guest Dr. Solandt. He served militarily in addition as a Staff Officer in West and North Africa. Once France was liberated, he joined the British Foreign Service and was Secretary in the British Embassy in Paris for five years and this country recognized his worth by the award of the Chevalier de la Legion d'Honeur.

In the first part of 1960 he was with a firm of Merchant Bankers. His association with Music and the Arts is probably fostered by exposure to the stage in his parents' home. In John Cowan's book *Canada's Governor-Generals* it is stated that their English Family home in Sussex included a fully-equipped theatre where plays of their own composition were staged. As a direct consequence our speaker became President of the British Drama League and is one of the founders of the Chichester Festival Trust, Britain's answer to Canada's Stratford Festival Theatre. I note too that he is an author of a number of plays and books. So that it is natural that he should, at one time, be a director of various companies connected with music, television and broadcasting, including "Associated Television" in Britain. He has been advisor to the well known Pye Company of Cambridge on overseas television projects. I find it interesting that he played an important part in establishing the Baghdad television station and the London-Moscow link – which means that by the latest Tuktoyaktuk broadcast he is indeed heard around the world.

In Mr. Heath's Government he was Minister of State, Ministry of Technology from June 1970 to mid October. However he was needed for other functions by his government and in fact that is exactly why he is here with us today.

In addition to the Chevalier of the Legion of Honour he is an Officer of the Order of St. John of Jerusalem. The speaker's illustrious and handsome father addressed the Empire Club in November 1931. His beautiful mother, of French descent did great service to unite Canada because of this and the birth of a child in Canada the speaker's younger brother George St. Lawrence Neuflize Ponsonby that truly unites Britain and Canada.

On behalf of the many Loyal Societies who have joined to make up the audience today, together with the Women's Canadian Club, the Empire Club and the Royal Commonwealth Society I welcome and present to you the Earl of Bessborough who is to address us on the topic: "Britain's Scientific and Industrial Achievements".

Lord Bessborough –

LORD BESSBOROUGH:

The present Government, of which I was a member during its first four months as a Minister of State at the Ministry of Technology, has in principle set its face against further government intervention in industry and in favour of a policy of disengagement.

It has indeed abolished the Ministry of Technology (Mintech). It has abandoned the industrial grant system in favour of tax reliefs and it has abolished the Industrial Reorganization Corporation (IRC) which was the instrument by which the last government assisted largely on the organizational side, but which nevertheless involved the investment of considerable government funds and which was, of course, criticized by Conservatives as a form of backdoor nationalization.

No one believed that a reversal of such an insidious, and in some sense anaesthetizing, process could be accomplished without difficulty. It was clear that some British firms would undoubtedly suffer. As our Secretary of State for Industry and Trade, Mr. John Davies, put it: "Withdrawing the crutches is bound to cause anxious moments even when their withdrawal is the only means of encouraging the patient to walk alone. But prematurely and hastily restoring them at the first stumble is a guarantee of failure both for the patient and the doctor." I hope you will agree with this!

This is, of course, a difficult moment to speak to you since our budget in the UK is only to be announced on March 30th, and it is the budget which should provide some of the remedies. Nonetheless, the diagnosis of the so-called British disease has been made and I can assure you that there will be no letting up on the Government's opposition to high wage settlements. This was made clear by Mr. Heath when he met the Confederation of British Industry leaders on March 8th, and there was positive agreement with the C.B.I. on this.

Nonetheless, it is strongly felt by British industry that the Government must inject a modest degree of growth into the economy, mainly by relief in corporate and personal taxation and principally oriented towards investment which is so essential for international competitiveness and our standard of living; and, as you know, the present Government is indeed committed to reducing both forms of taxation in the forthcoming budget.

Although, clearly, Ministers are unable to commit themselves explicitly in this pre-budget period, there certainly seems to have been general agreement between British industry and the Government that there must be a stimulus to investment by increasing the profitability of companies. And the collective voice of the Conservative Party and of industry is now so strong and unanimous that it would be extraordinary if Mr. Heath and Mr. Barber, the Chancellor of the Exchequer, ignored it.

Rolls Royce

But, in their present policies the Conservative Government are by no means following a doctrinaire policy in opposition to the dogma of socialist nationalization. Indeed, as has been seen in the case of Rolls, where the defence of the country depends on an industrial product – in this case aeroengines – a Conservative Government is prepared to take a firm into public ownership by purchasing the assets of a failing company. You may think that this is a form of nationalization, but there is certainly a distinction to be drawn here, for the Government are not bringing Rolls under complete State control. They are indeed acquiring some of its assets, but at the same time, as Lord Carrington, our Minister of Defence who is Chairman of the Committee on Rolls, made plain in our debate on Rolls Royce in the House of Lords on the 15th February, "it is certainly the intention of the Government to introduce private capital into the firm."

It should be remembered that Rolls Royce did not ask the Government to bail them out. (They may have realized that there was in fact no point in asking.) At all events, it was Rolls itself which called in the Receiver when they realized that their liabilities under their 1968 agreement with Lockheed over the RB 211 engine exceeded their assets. In the circumstances, the present Government felt that it was necessary to bring those parts of the firm into public ownership which were making such a very considerable contribution not only to our own defence effort but also to the Air Forces of no less than eighty other nations. The Government felt obliged to safeguard the position not only of those air forces but also of the 200 overseas airlines whose aircraft are powered by various types of Rolls engines.

Again, in regard to Rolls, Mr. Heath, who is, you may be sure, the new propelling force in our country and may well prove to be the greatest Conservative Prime Minister Britain has yet seen, said only last month "that one thing we have not been willing to do. We have not been prepared to mount a general operation to bail out the Rolls Royce Company – an operation which would have run into several hundred millions of pounds of the taxpayers' money. There could have been no guarantee," he added, "that even after such a further effort the company would have been viable in the years ahead." When he said this, there was indeed no way at the time of assessing the Company's liabilities. I am certain that no responsible government could have acted differently in this respect.

General Policy and the Industrial Relations Bill

We must indeed in Britain give up our illusions and return to realities. And in this general industrial policy you can be certain that Mr. Heath will stand firm. We hope that as a result of the new Industrial Relations Bill, which should become law during the summer, that we shall get ourselves out of our present difficulties. It may take a year or so to do this. Attitudes cannot be changed overnight. I am confident, however, that we shall succeed, and I think that the British character will show that we can. However much Trade Union opposition there may be to the Bill, it seems to me unlikely that there will be a resort to extreme measures and that as soon as the Bill becomes law, there will be a psychological change. Those one day protest strikes about which you have all heard were not unanimously supported and were certainly highly unpopular with the public. Indeed, the TUC have decided against further industrial action and though organized labour is still committed to a sort of passive resistance to the Bill, it does seem more likely now that both the TUC and the member unions will, when the Bill becomes law, learn to live with it.

I believe that the fact that a secret ballot is one of the most important features of the new Bill means that we shall see a considerable change of attitude among workers in Britain and that wildcat strikes will be greatly reduced as a result of the penalties which are also included under the new legislation. Let me add this too: there is no doubt from recent polls in the country that the great majority of the electorate are in favour of this new legislation. It was indeed largely as a result of the Conservative promises to introduce it at the General Election that ensured that the Party was returned to power. It is curious that the present Opposition are not able to sustain objections to details of the Bill. Although there will undoubtedly be protracted debates in the House of Lords on the subject it is certain that it will become law since the Conservative Party have a considerable majority in the Upper House.

We in Britain worry a great deal about the strike situation, yet we must not forget that in terms of actual working days lost, our record compares pretty well with Canada and the United States – witness the American Automobile Industry strike at the end of last year and earlier go-slows and strikes by Canadian Post Office workers which I think were overall more protracted than our own Post Office strike.

Britain has been through a period of transformation. We had to dismantle our Empire leaving, I believe, many good things behind. We have learned now to earn our own living – witness our great export trade and the fact that last year we had a record balance of payments surplus of well over £600 million. (Surplus trading nations in 1970 were: 1. Japan, 2. UK, 3. Canada.) We have now, I believe, learned not to rest on our laurels. In recent years we have been going through a period of cushioning these transformations. But this cushioning process cannot go on indefinitely, and it is against this cushioning that the present Government has set its face.

The Aircraft Industry

But my object today is to say something generally and particularly about our industrial and scientific achievements. Although it would be more natural to deal with science first, I am primarily concentrating on industry because I think it is of more interest to you.

In the aircraft industry I think we should put the problem of the RB 211 into perspective. *Rolls* in fact build the power plant for a number of other aircraft in addition to the Lockheed 1011 – 36 aircraft in all. They build the Adour engine for the Jaguar strike aricraft in collaboration with Turbomeca in France. A number of versions of the Spey engine are also being developed and produced jointly by Rolls Royce and the Allison Division of General Motors (the firm of Ling, Temco Vaught Aircraft) to power the LTV-A7 Corsair close support aircraft. And then, of course, with the French SNECMA they are building the Olympus

593 (power plant) for the Concorde and also the *M45H* with SNECMA for the *VWF* 614 short-haul passenger transport. They are also building a lift engine RB193 with MAN of Germany, and then of course the Pegasus is the power plant for the Harrier Vertical Take-off Aircraft which, as you know, has been ordered not only by the Royal Air Force but also by the United States Marines, and it is thought that various other Air Forces within NATO will also need it. With Allison, Rolls are also involved in a project for a high *thrust-weight-volume* ratio lift-jet engine suitable for a wide variety of vertical and short take-off and landing applications. All these quite apart from the well-known engines such as the Dart and NENE etc. which have proved themselves in the past. So although the RB 211 has perhaps been the most expensive of all their projects, the Company is involved in manufacturing and developing a wide range of engines and it is only because of the RB 211 that they have been brought to this difficult situation.

And in the aircraft industry, which employs some 236,000 people, we think not only of Rolls but also of the British Aircraft Corporation and the *BAC 111*, the short and medium range transport aircraft of which over 200 have been sold, including 94 to South, Central and North America alone. I have already mentioned the *Jaguar* tactical support aircraft in which BAC are collaborating with Breguet in France, and then, of course, they are also playing the lead in the development of the multi-role combat aircraft (MRCA) plus a wide range of guided missiles in collaboration with MBB (Messerschmidt, Bülkow, Blohm) in Germany and Fiat in Italy.

In the field of international co-operation, I should of course mention again the magnificent supersonic airliner Concorde which is being developed by BAC and SUD Aviation.

Hawker Siddeley are, as you know, a go-ahead and highly commercial company which does not seek launching aid from the Government in building its aircraft, e.g. the very successful HS 125 Executive Jet, which Beech Aircraft Corporation market in the United States and Atlantic Aviation market in Canada. And there is also the *HS 748*, the short and medium range turbo prop airliner of which 67 have been sold to Central, South and North America. I believe I am right in saying that nearly every President in South America possesses one! As you know, Hawker Siddeley also build the very successful medium reconnaissance and anti-submarine aircraft *Nimrod* which is a highly sophisticated development of the Comet and is now in service with the Royal Air Force. They also build the successful *Trident 1* and its stretched version, Trident 3, which are medium-short haul jet airliners. It is they too that as I say are building the *Harrier VTOL* strike fighter, and of course they are heavily involved, again on a commercial basis, in the production of the wings for the *A.300-B* European Air Bus. Then too, Short Brothers and Harland build the Skyvan, which is a very successful light utility transport aircraft. And now there is the 3-engined light aircraft, the *Trilander*, which is being built on the Isle of Wight as well as in Rumania and follows the very successful Islander.

Helicopters

Westland are also building a wide range of helicopters in collaboration with the French – the WG13 which is a medium sized helicopter for general naval and civil purposes, the SA 330 medium size all weather helicopter and the SA 341 all purpose lightweight helicopter. As well as these new projects, of course they also have in production a range of highly successful military and civil helicopters such as the Sea King, the Wessex which has reached the Mark 5 stage, and the Whirlwind too is still being used together with Scouts, Wasps and Sioux machines.

So we must not think that because it may not be possible to go ahead with the RB 211 in the Lockheed aircraft that the British aircraft industry is not very fully engaged and does not have a great number of successes to its credit.

Hovercraft

In hovercraft too, which is I think of special interest to you in Canada, the British Hovercraft industry offers a range of ten craft from the 160-ton SRN 4 to the single-seat Hoverlark. It must be remembered that although the industry has been actively engaged in the manufacture of hovercraft for over ten years, vehicles have been in commercial service for little more than four years. Designs are such that they can be adapted to suit a wide range of requirements.

Hoverrail (see *Financial Times*, March 11, 1971)

We also have great hopes for our own Hoverrail, a prototype train which will be in operation this summer and which will travel at the rate of 250 miles an hour. This is expected to be a considerable advance on the French and German models and indeed has been assessed by the US Department of Transportation to be the most economical of the three possible candidates.

Cars

Apart from the Ford strike in Britain, British cars too are holding their own. Of all the cars manufactured in the United Kingdom 50 per cent are exported overseas. And let no one under-estimate the demand for Rolls Royce cars – the automobile section of that particular company is both thriving and profitable as indeed is the marine engine division and will continue to be so irrespective of the outcome of the latest aero-engine problem. British Leyland are indeed selling extensively all over the world. They expect to sell nearly 500,000 models of its four-door high performance Toledo car in Europe alone in the coming year and have plans to increase their sales in Canada markedly in 1971/72.

Electric Cars

And I might add here that our development of electric battery vehicles too is well in advance of other countries.

This is particularly important in view of the problems of environmental pollution of the atmosphere. In fact the United Kingdom already operates some 40,000 electric cars on the roads – more than any other country at present – they are principally used for milk deliveries. But details have recently been released of the new Enfield 8000 electric car for private use. At the moment a range of 80 miles is achievable at cruising speed without stops although this is of course reduced to 50 miles under town conditions. Assuming an average use to be 5,000 miles a year, some 3 to 4 years of operation could be expected after which the batteries would have to be replaced. Living in the polluted atmospheres of cities as many of us do, clearly these vehicles have a great future, and already the Russians and the Japanese are showing a great interest in them. We are trying them out is buses for city centre operation, when probably electric storage heating which can be charged at the same time as the engine batteries, can also be installed.

Atomic Energy

On atomic energy, I have already said that we generate more electricity by this means than any other country in the world, and although I know that we compete very much with the United States and Canada in the export of reactors, we are I understand the front-runner in Australia with our Steam Generating Heavy Water Reactor. Here again we have a good range of reactors suitable for varying demands.

Isotopes

We also have a remarkable record in the exporting of isotopes – these have a thousand or more uses in modern industry, in medicine, agriculture and so on, and our Radiochemical Centre supplies over 2,000 products to well over 5,000 users throughout the world at a rate of more than a thousand orders a week.

The New Fuel Companies

I believe that the two new fuel companies which have been established under our Atomic Energy Bill and which are already registered and will become operational on 1st April, are to take over the work formerly done by the Atomic Energy Authority in Britain. They have considerable prospects of success.

We are also pressing ahead with the development of carbon fibre materials and although these have not yet proved entirely satisfactory for the RB 211 aero-engine itself, they have many other applications in aerospace where the high stiffness, strength and relative lightness can permit significant weight savings in component design. As I expect you know, carbon fibre composites are those in which the carbon fibre is incorporated into plastics or resin matrices. Government research and development in its own establishments, the AERE, in industry and in the universities, is aimed at helping the exploitation of these carbon fibres in aerospace and other industries as quickly and widely as practicable. Uses have already been found for it in general engineering, the manufacture of racing and sports cars, boat building, chemical plant, medical items, dry bearings and sports gear. The main industrial exploitation of carbon fibres, however, still lies in the vast aerospace market, and the vital basic development of this new material was carried out at the Royal Aircraft Establishment at Farnborough.

Computers

We are the only nation in Western Europe as I have said which possesses a powerful indigenous and independent computer industry. ICL supplies almost half of the UK market and exports more than a third of its output to 70 countries. They also have a close association with ICCL (International Computers of Canada Limited). Together with the progressive GEC Group and the British firm of Ferranti, they recognize the need to broaden the market base in order to compete more effectively with the powerful American industry and IBM in particular. Of course the fast pace of technological advance in the computer field imposes considerable burdens on manufacturers in the shape of the high continuing R & D expenditure and a high rate of obsolescence of equipment. Although ICL is on its own making good progress in the face of IBM's domination, they are adopting an international industrial strategy by joining with the French CII company and the American Control Data Corporation with a view to achieving greater sales potential and saving duplication of both research and development.

The need for European industry to concentrate on common standards is generally recognized, and in the field of computers Britain has a major contribution to make.

Pollution

We have also, as you know, advanced far in anti-pollution measures. As a result of the "Clean Air Act" and the use of smokeless fuels, the famous London fog is now, thank God, a thing of the past. And, insofar as rivers are concerned, it is gratifying to know that it is now again possible to catch a sea trout in the Thames. I do commend to you the report which was recently issued by our Royal Commission on "Environmental Pollution".

Desalting of Water

Another subject of importance to the future economy of the world is the desalting of water. It is a fact that 50% of the desalting plant currently in operation throughout the world was built by British industry. This is only a beginning.

Super-Conductivity

We are very active in the field of super-conductivity which will make it possible for extremely powerful magnets to be produced for use in high energy physics in the future.

Radar

It must be well-known that we invented radar but perhaps it is not so widely known that about one half of the world's shipping is equipped with modern radar made by only one British firm.

Lasers

Many British companies are actively engaged in research and development of lasers and their uses, and recent achievements are their application to methods of obtaining exact precision in the cutting of machine tools, drilling holes in industrial diamonds and also in telecommunications.

Agricultural Research

In the agricultural field, it is well known that we developed the Proctor strain of barley while our agricultural machinery industry exports annually well over £100 million worth of goods each year.

Medical Research

Then in the field of medicine, we are not still basking in the glory of penicillin, discovered by Sir Alexander Fleming. Our powered artificial limbs are among the most advanced in the world; the Melrose Heart and Lung machine which enables long and delicate operations to be performed on the heart was evolved in the United Kingdom. Through our Government sponsored Medical Research Council the group of anti-biotics called cephalosporins was discovered. And very recently they have found that the new drug Rifampicin has a great contribution to make to the treatment of leprosy as well as an ability to attack an enzyme by which viruses act. This could be an important clue to anti-viral agents. Additionally, it is possible that a major step forward is being made now in the understanding of cancer, for Professor Harris and his colleagues at Oxford have shown that the malignant characteristics of certain cell nuclei can be suppressed by transplanting them into other cells – terrifying, but it may save thousands of lives in the future.

Ammonia

Our Chemical industry – and in particular ICI – have developed the steam-naphtha process for the manufacture of ammonia which is more economic and more efficient than ammonia produced from coal.

Fabrics

Terylene and Polythene were British inventions.

Plate Glass

The invention of the float glass process by Pilkingtons has replaced in a few years the traditional method of making plate glass and every one of our competitors in the Western World has taken licences from Pilkingtons in order to hold its own.

General

And believe me, it doesn't end here. I could go on and on but I have just given you these few examples to show you that we are not only a nation of the latest pop music, miniskirts and hot pants. "The old country", as I still sometimes hear it called, must not be under-rated as one of the world's powerful scientific nations. Of course we have had our troubles with Rolls and the odd insurance company but this is perhaps inevitable while we go through this current transformation period.

To Summarize:

Our Government is determined to control inflationary wage demands and stabilize prices. It is also determined to rid our industry of the illusion that if it gets into financial difficulties it has only to appeal for help from a Government-sponsored Industrial Reorganization Corporation which provided in the past a sort of "begging bowl" for firms unable to stand on their own feet. Our Secretary of State for Trade and Industry has expressed the view that he thinks "1971 will be the year which will see us start to move over the top of the hill – but it will be a hard slog."

The Government's task is made easier because the people of Britain themselves want this to happen. The unemployment figures in Britain are for us high at the present time, but the tide is turning. More and more unions are recognizing the need for greater productivity, and pay settlements are now including productivity clauses almost as a matter of course. Many world prices of raw materials such as wool, rubber and copper are falling. This should help as will national savings – these have doubled in the last year. With goodwill, co-operation (and a little luck) from the people themselves – and the present Government certainly has this – inflation could, as a result of Mr. Heath's tough policy, be in check by the spring of next year with wages and prices operating at reasonable levels. Production could be rising, and unemployment falling.

So that's the prospect. I said I would speak to you about our scientific and industrial achievements and I have perhaps covered a slightly wider range, but it is in the self-interests of everyone in the Western World to know that we are fast becoming a strong Britain. As I have already said, our balance of payments is now running at a surplus of well over £600 million a year and this should continue. Exports are thriving – orders are flooding in for all we make from aircraft to pottery. The £ is healthier than for many a day. Our reserves are the highest for twenty years. We are paying off much of the foreign debt that has been a millstone round our neck – £200 million were repaid last month alone.

We, you and I, come from countries with long and proud historical backgrounds. That this is so is because our ancestors had courage to prepare for our future. We have the tools to continue in this pattern and we must all do so.

The gratitude of the Club was expressed by Mr. John H. Hall, Chairman, The Royal Commonwealth Society.

APRIL 1, 1971

Japan, To-day and Tomorrow

AN ADDRESS BY His Excellency Shinichi Kondo,
AMBASSADOR OF JAPAN TO CANADA

CHAIRMAN The President,
Harold V. Cranfield

GRACE Canon the Rev. F. Arthur Smith

DR. CRANFIELD:

To-day, Your Excellency, is as you know, April 1st. It has, for more than 300 years been a day to be on one's guard. It is a day on which up until noon one has to be watchful that a friend does not play one a trick or send one on a Fool's Errand. For a source, I take you back to 1670 and the writer William Congreve. He was responsible for such well known expressions as, "She lays it on with a trowel," "Music has charms to soothe a savage breast," "Courtship to marriage (is) a very witty prologue to a very dull play." In one of his stories called "The Old Bachelor" he referred to a man in love as "One of love's April Fools", thus setting us right that after a bad winter the onset of spring is too much for a man's mind and he foolishly falls in love. Out of this 300-year-old reference April 1st is called April Fool, though I assure his excellency he is in no danger of any trickery from me, since by tradition no tricks are played after 12 noon.

Since we are speaking of 300-year-old customs I will tell the audience of one in Japan; for 1971 is the 300th anniversary of the practice of dehorning the domestic stags that roam the 1,250-acre park at the Japanese city of Nara. It is a ritual that turns out to have some characteristics of the rodeo (as at the Calgary Stampede). The difference is that after the deer is captured a Shinto priest from the Kasuga Shrine removes the horns painlessly with a hack saw. The deer hunters, called Seko, have the equivalent lassoing skills of our cowboys and the Argentinian gauchos. The horns are removed each autumn to prevent the deer injuring themselves or their human admirers.

Having exchanged these courtesies of Japan-Canada customs of 300 years' standing let me move on to a proper presentation of a very distinguished guest.

In 1934 while His Excellency was receiving his degree from the Faculty of Economics in Tokyo University one of his countrymen, Dr. Tosiho Kajiyama was graduating with me from the Faculty of Medicine at the University of Toronto. He was an intellectual ornament for he led the class throughout his undergraduate days. Our speaker has been too modest to reveal his own academic brilliance but it was sufficient that he joined the diplomatic service the following year and served in Washington, New York and Shanghai in the years prior to World War II. His background is in the Political Affairs and Research Bureau of the Ministry of Foreign Affairs. By 1951 he had become the Secretary General of the Foreign Service Training Institute of the Ministry.

For the three years from 1954 to 1957 he was appointed Counsellor of the Embassy of Japan in Ottawa and was then made Director General of the Bureau of Public Information and Cultural Affairs of the Ministry of Foreign Affairs. One of his functions in this office was that for four years he acquainted His Majesty, the Emperor of Japan, each week on international problems. This grave responsibility would only be carried out by a well-informed and articulate scholar of world events. Ten years ago his appointment was Ambassador Extraordinary and Plenipotentiary of Japan to Denmark. Imagine if you will the adjustment one would need to make to go as he did from Denmark to its antipode, New Zealand with the same responsibility two years later. I have always been delighted with the literal meaning of Antipodes – since it signifies "having the feet opposite" – or if you like, to be upside down. Our guest accomplished this manoeuvre with his usual éclat and was further promoted to Deputy Vice Minister of the Ministry of Foreign Affairs Japan in 1967 and continued in this position until June of 1969.

At this point Canada was once more to be favoured, and he and Mrs. Kondo came to Ottawa where he is Ambassador Extraordinary and Plenipotentiary of Japan to Canada. There are deep roots in Canada for his whole family, since his two daughters, now both married to Foreign Service Officers, attended Notre Dame Convent from 1954 to 1957 while they were in Ottawa. (I know he would not want me to fail to tell you that he and Mrs. Kondo have the blessing of three grandchildren!)

Your Excellency, last week our speaker was the Earl of Bessborough. He reported amongst other things that the three leading world powers in respect to balance of payments in International Trade were Japan, the United Kingdom and Canada. Canada is pleased indeed to find itself in such illustrious company. So, for two meetings in a row, we are to hear a success story from an authority.

It is clear that our speaker from the vantage point of such a background, can ably portray the picture of Japan's economic growth, its projected future and the important role and international responsibility that this economic power creates. This and Canada-Japan relationships are to be his subject under the title "Japan, To-day and To-morrow."

His Excellency Shinichi Kondo, Ambassador of Japan to Canada.

* * *

His Excellency prefaced his remarks with a reference to the introduction by the chairman and having indicated his appreciation of its warmth spoke as follows. "Had I been alert to the significance of the day, April 1st, I might have prepared an April Fool address. It would have been in Japanese and delivered in Japanese, a language which is much easier for me to use." This comment was received with great good humour by his audience.

HIS EXCELLENCY:

Mr. Chairman; I am most grateful for your kind invitation to speak to such a distinguished organization as the Empire Club of Canada. I am particularly glad to have this opportunity in the city of Toronto in the heartland of Canada. Thanks to your courtesy in allowing me to select my own topic, I have chosen "Japan – Today and Tomorrow." I have done so because I feel Canada and Japan are becoming increasingly more important to each other and I would like to do whatever I can to increase the understanding of my country by Canadians.

Most Canadians are aware that trade between our two countries has been increasing year by year. Commerce has drawn us together, but there are other factors, factors of common interest, that form natural bonds between Canada and Japan. We are both Pacific nations, neighbours divided only by an ocean whose dimensions are rapidly shrinking as transportation and communications technology advances. We are both trading nations and countries who depend for their continued growth – and, indeed, continued existence – upon peace, international stability and ever-increasing exchanges between nations, including progressively freer world trade.

There is another unique parallel between us. This is our almost simultaneous birth as modern states. Canada, and certainly Japan, have a history and tradition that precedes 1867-1868. But it was with Confederation in 1867 that the new nation of Canada was born and it was the Meiji Restoration of 1868 that marked the beginning of Japan's national efforts to create a modern industrial nation from the feudal framework of old Japan.

In the comparatively brief span since 1954 when the Canada-Japan Trade Agreement first came into force, the trade relationship between our two countries has grown steadily. In 1954, Canada's exports to Japan amounted to some $96 million and her imports from Japan were valued at $19 million. By last year, this trade reached a combined total of $1.3 billion, with Canada's exports to Japan amounting to some $795 million and her imports from Japan amounting to $581 million. According to the projections of the Canada-Japan Trade Council in Ottawa, the volume of this two-way trade will reach $2¼ billion by 1973 and $3¾ billion by 1975. This expansion of trade will no doubt further develop closer relations between Canada and Japan to our mutual benefit. But now, with this firm economic base established, I would like to see more efforts made to provide in our relationship a new dimension, a dimension beyond that of economics. It is my sincere hope that this promising foundation may be extended and built upon by exchanges between us in the academic, cultural and political fields. There is still a great deal to be done in the area of information to ensure that we both know as much about each other as possible. I believe it is from such information that true understanding will come – and true understanding, one of the other, is in my estimation, the soundest basis for an international relationship that will be truly progressive and mutually beneficial.

Japan today, in a very real sense, is at a crossroad. She has achieved, since 1945, what some refer to as "a miracle". But, after the single-minded pursuit of economic growth that brought her such remarkable success, where is Japan heading?

The consensus among economists, political leaders and among foreign observers appears to be that Japan will continue her steady economic growth but in a radically altered context. Speaking to the National Press Club last April, Prime Minister Sato said – "If the 1960s was a decade in which problems were solved through a quantitative expansion of the economy, I think the 1970s will be a decade of competition, a competition to create better living conditions, more suitable to human life and more agreeable to human nature, by improving the quality of the economy while continuing its quantitative expansion." In a major policy speech before the Diet two months ago, the Prime Minister said further – "It is possible for us, on the premise of this enormous energy, to aim during the next ten years for greater efficiency in the utilization of land resources of the nation and to bring about a new harmony between man and nature and between man and his environment."

Writing in the American magazine *Fortune* in February, Nobutane Kiuchi gave it as his view "the Japanese today are becoming aware that happiness for man requires more than just material abundance." A distinguished economist and former chairman of the Foreign Exchange Control Board of the Ministry of Finance, Mr. Kiuchi is now executive director of the Institute of World Economy in Tokyo. In the *Fortune* article, he notes that there are times in the long story of any nation when it starts out upon a completely new and different path. "Today, after twenty-five years of post-war development, I see Japan as being on the eve of just such a period of historic change," he said.

Mr. Kiuchi in his article echoed views already advanced by many other observers in relation to the future course of Japanese social, political and economic development. Indeed, the points he makes have already been suggested in the Japanese Government's programme – "Economic and Social Development Plan to 1975" – adopted last June. The essence of this plan is the deliberate slowing of economic growth in order to bring about the internationalization of the national economy and to improve the quality of life for the Japanese people.

Japan has come very fast and very far in economic development in less than one generation. She is today the world's third economic power behind the United States and the Soviet Union. Despite some talk of slow-down and even recession, her GNP continues to expand at an annual rate at least twice as fast as that of the largest industrial nations and three to four times that of others. Some observers predict the pace will continue unabated in the foreseeable future. But the very magnitude of her growth, the incredible pace of growth, the single-minded dedication of the whole Japanese nation in ensuring this growth, have all combined now to cause Japan to pause and consider her future in the light of the past and present.

The Japanese people from the Prime Minister down are rightfully proud of what they have achieved together. But they also clearly see that in their headlong rush to economic expansion, much that is desirable has been by-passed or neglected. Investment has been concentrated too much in private industries to the neglect of social needs. Social welfare has not kept pace with growth or the aspiration and needs of the people. Inflation is draining off some of the benefits of prosperity. Some sectors of the population have been excluded from the growing affluence of the nation. Pollution of air, water and land have become an exceedingly grave national challenge. The myriad problems bred of uncontrolled urbanization have not been, as yet, adequately approached. These are national problems that are the inevitable companions of swift, dramatic, economic success. They are now known. They have been clearly identified. They will have to be tackled. The chief question facing the Japanese people today is, can they be tackled and solved without unduly retarding the national development in the economic sphere? I believe they can. Many Japanese economists believe they can. The Japanese government is reasonably confident. It has already advanced policy solutions to meet the challenges of the decade ahead. The first immediate steps are those designed to check and then reduce inflation and bring consumer prices from a rate of increase of 5% annually to one of below 4%.

Next, under the "New National Land Development Plan", as referred to by the Prime Minister in his policy speech before the regular session of the National Diet in January, the emphasis on investment for industrial expansion will be switched to social investment – capital investment in a new national network of highways, of railways, communications, air transportation, ports and, perhaps most important, in urban rationalization. This will mean a deliberate and purposeful diffusion of Japan's urban population. This problem of uncontrolled or poorly controlled urbanization is a little-noticed but vital component of environmental pollution.

Together with this extension of the nation's physical social plant will come an expanded social welfare programme that will include renovation of the educational system, extension of medical facilities, and the promotion of a richer cultural life. One of the most important single areas of social investment will be in the area of housing. The government's plan calls for providing 9.5 million units over a five-year period.

Two factors that have led some economists to doubt whether Japan can maintain her current economic growth rate for much longer are her shortage of labour and the mushrooming pollution created by expansion of industry. During the years 1960-65, the annual increase in the productive population was approximately 1½ million. From 1965 to 1970 this figure declined to 900,000. It is expected to drop to 600,000 between 1970 and 1975. In the face of these figures and the fact that the bulk of the work force will be growing progressively older, some economists have felt Japan must slow down.

Others, however, like Herman Kahn for instance, the Director of the Hudson Institute who published a book recently entitled *The Emerging Japanese Super-State*, believe that this is not the case. He points out that the great increases in production in Japan come not from the size of the labour force but rather from the increased productivity of the existing force. In 1970, he notes, the labour force grew by only one percent, but production increased 18%. Mr. Kahn believes the economic drive will be sustained by a fuller utilization of the labour force and an upgrading of its skills as a whole.

This, of course, presumes advances in techniques and in new kinds of production equipment. It also means the creation of a steady flow of increasingly sophisticated items for manufacture. This is where science and technology assume such a vital role. Indeed, they might be said to underlie the hope of Japan to sustain her economic growth in the years ahead. Not only that but they are the surest hope of success in Japan's determination to master environmental pollution. Already the fight against pollution has opened up a whole new technological area and, in a world that is becoming increasingly pollution conscious, Japan hopes to make a significant international contribution by development and export of new anti-pollution techniques and devices. In the last month of 1970, the Diet met in special session to consider a number of important anti-pollution acts and regulations. The fight against pollution has been given top priority by the Government. A newly established environmental agency will help to centralize and give impetus to a national anti-pollution effort.

There was a danger that, in her headlong pursuit of economic growth, Japan and the Japanese might acquire what might be called the "economic animal" mentality. Mr. Kiuchi has written of Japan being "obsessed with a single national goal of economic growth at whatever cost". A foreign observer said, "They (Japanese) watch growth rates the way Americans watch baseball standings or Canadians watch football scores." But this danger now appears to be ebbing. There is increasing perception by the Japanese people generally that "living" means more than the mere acquisition of material things, more than mere economic growth. Man and his surroundings must be in harmony and man's soul in harmony with the body. This national re-assessment of goals and priorities has emphasized this realization and, I believe, pointed Japan along a new path.

In our post-war period, an era in which economic theory and expertise has become increasingly sophisticated and in which the economist has been accorded great status, there has grown up, in all countries, the cult of the GNP – what has amounted almost to worship of the Gross National Product. This may have been carried to extremes in Japan but the Japanese have by no means been alone in their blind faith in an ever-growing GNP as the answer to everything.

This adherence to what is essentially an economic guide post is today being called in question throughout the industrialized world. As is the case when other gods are doubted, skepticism knows no half-way point. From unquestioning belief we go to complete disillusionment. Now that the GNP cult is being discredited, there are many who tend to write it off completely. This "to hell with the GNP" attitude is negative and damaging. To claim that the GNP is responsible for all the social evils of modern society is silly. The GNP is an economic measure. It never was a measure of social or moral values. There are many today who advocate cutting back production as an answer to many of the social afflictions they trace to exaggerated belief in an expanding GNP. I believe this is the wrong approach. We must seek instead to harmonize the economic with the social and cultural elements in the national context. It becomes a matter of priorities within all the elements that make up the Gross National Product – greater emphasis on the public rather than upon the private sector. In Japan, this is what government policy is now seeking to do. Writing in the *New York Times* recently, Mr. Harold C. Passer, Assistant Secretary of the U.S. Department of Commerce, noted that "we should not feel guilty about having a huge GNP as long as we set proper priorities. With reduced production, we would have far fewer choices to make – and the opportunity to make choices is perhaps the most precious element in the quality of our life."

I have said that Japan is at the crossroads and appears to be setting off upon a new path in relation to her domestic national life. I must now speak briefly of Japan's new path in relation to the world beyond her national boundaries. Part of her deliberate choice of a new path forward involves the internationalization of her economy, partly as a matter of international responsibility and partly to ensure a stable position with the other nations upon which she is heavily dependent for continued national progress. This is why Japan has been exerting the utmost effort to accelerate trade and capital liberalization. Details of this effort are complex. For those of you who may be interested in detailed information about recent developments I might recommend a pamphlet, *The Japanese Economy: Increasing Liberalization*, recently published by the Canada-Japan Trade Council in Ottawa. Suffice to say here that by the end of this September the remaining items under import restriction in Japan will be only 28 agricultural items and 12 manufactured items – a level equivalent to West Germany and below that of France, Denmark, Norway and Austria.

Japan feels that the positive efforts toward freer world trade and the opening of her domestic economy to foreign trade and investment is her responsibility as a member of the world community. It is also a fact that her economic development depends upon liberal world trade. Japan today exports only about 10% of her production thanks to a huge domestic market. But foreign trade remains, nevertheless, indispensable to continued growth. Exports are her only means of paying for the imports of resource products and foodstuffs upon which Japanese industry and the Japanese people are so heavily dependent.

Again, Japan feels it to be her international responsibility and the path of good sense to make a greater contribution in the international development aid field, particularly in Asia. As the only industrially advanced nation in Asia, Japan has a responsibility to help her neighbours. She also has a sound reason for helping to eradicate poverty and create viable economies in the nations surrounding her as the best assurance of peace and stability in Asia. Japan today ranks fourth among the donor nations. The Governments plan to increase foreign assistance to 1% of the GNP by 1975. Since the GNP of Japan is estimated to reach $400 billion in 1975, the total amount of Japan's foreign aid will be about $4 billion. This will probably place her in a position as a donor country second only to the United States.

There remains now one other very important and, I may say, touchy aspect of Japan's international role. The question that many people outside Japan are asking today is – will Japan attempt to re-assert herself as a military power commensurate with the economic power she has already achieved? Herman Kahn asks, "Can Japan be a technological and economic giant while remaining a military pygmy?" The apparent imbalance between Japan's economic power and her military capabilities may have led to such an apprehension that Japan might someday expand her military power and eventually intervene militarily in the international scene. There are genuine – but in my opinion excessive – fears still lingering in the minds of Asians who suffered much from Japanese military aggression in the past. It is also true that such fears are being fostered and cultivated by certain communist countries for the ulterior purpose of disrupting friendly relations between Japan and other Asian countries. They even go so far as to call Japan an "accomplice with American Imperialism" and to denounce the "revival of Japanese militarism." They intentionally ignore the post-war change of the political and social system which rules out any possibility of a resurgence of militarism in Japan and the strong feeling of pacifism imbedded in the minds of the Japanese people since the end of the war. (Incidentally, Japan's defence expenditure for the fiscal year 1970-71 was $1.5 billion which represents only 0.78% of her GNP, while Canada's defence expenditure is $1.7 billion representing 2.3% of her GNP.)

Let me say quite bluntly that Japan is prepared to defend her independence and ensure her own national security. Japan will not, however, assume any military commitments abroad. She will not take over the peace-keeping tasks of the United States in Asia. Japan's Constitution forbids her to acquire an offensive military force and also prohibits her from deploying her defence forces outside of Japan. We believe that Japan's continued existence as a politically stable and economically viable entity and her positive contribution to development assistance to other Asian countries are the soundest guarantees she can offer to peace and security in the Asian-Pacific region.

Japan's economic power will not be directed toward military adventures but will be utilized for the betterment of her own peoples' lives and for the benefit of developing countries in the efforts toward economic and social development. This, I believe, is what the Japanese people aspire to and what the rest of the world expects of Japan.

In closing, Mr. Chairman, may I say that one of the most hopeful signs of closer ties between our two countries is the expressed intention of the Canadian government to make Canada truly a nation of the Pacific. It is my sincere hope that, as close partners in a world at peace, Japan and Canada may go forward together to the mutual benefit of both our peoples and in the common cause expressed in the motto of Expo '70 – "Progress and Harmony for Mankind."

The gratitude of the Club was expressed by Mr. William Karn.

APRIL 15, 1971

The University of the Seventies

AN ADDRESS BY Dr. Claude T. Bissell,
THE PRESIDENT OF THE UNIVERSITY OF TORONTO

Joint Meeting of the Empire Club of Canada and the Canadian Club of Toronto

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. Dr. Derwyn Owen,
Provost, Trinity College

DR. CRANFIELD:

The Canadian Club and the Empire Club are most fortunate today. You of the audience are about to meet an educated man, educated by virtue of exposure to schooling in quality and quantity. With the exception of his years of service in World War II he has been constantly a scholar since he became old enough to cross the road alone. Meaford proudly claims him as a native son, for he was born there early in the year 1919. From Runnymede Collegiate in Toronto he went to University College with the Edward Blake Scholarship in English and History and he had acquired his Masters degree just after his twenty-first birthday. Armed with the Cornell Fellowship in English he went there to achieve further recognition and his Doctorate in Philosophy. He stayed at Cornell to teach for a year, then went back to his alma mater. From there he went into the army with the Argyle and Sutherland Highlanders. He fought his war and then returned to University College. Here, ten years after gaining his Bachelor degree aged only thirty, he was Dean in Residence, and remained as that from 1946-56. Then a step upward brought him to the Vice President's Chair at the University of Toronto. He was quickly claimed by Carleton University as their President but remained there only two years before being recalled to the University of Toronto. He has been the President of the University of Toronto from July 1st 1958 to now. Just before taking on that responsibility the Empire Club was honoured to have him address us on the title, "The University and the City". His actual teaching career ranged from Instructor in English at Cornell in 1938 through to Professor of English at University College in 1962. Thus, you see, that in addition to the impossible burden of being Administrative Head of this great university, as it doubled its size, he carried on the full duty of an English Professor into 1962. He seems capable of doing several things at once, almost as a habit, for in the years before this, while he was assistant Professor of English, he managed, as well, to do a two year study of Universities in Canada, the U.K. and U.S.A. on a Carnegie Foundation grant.

In addition to being a Fellow of the Royal Society of Canada, at least fourteen universities in the United States and Canada, from coast to coast, have honoured him in Convocation with the Doctor of Laws or equivalent recognition. It is little wonder that in 1969 he received the Companion of the Order of Canada, the highest recognition that a Canadian may receive. (Because two men at the Head Table today are Companions of the Order of Canada only makes it commonplace at Empire Club head tables, it is rare elsewhere!) He has continued in other dual roles for he has been Chairman of the Canada Council and of the Carnegie Council for the Advancement of Teaching and of the Canadian Universities Foundation, etc., etc. – all of these without interrupting his function of President of the University of Toronto. That he found time to do his writing as well, is but a credit to his discipline and energy.

Edward F. Sheffield who prepared the foreword to our speaker's book, *The Strength of the University*, says he has "both style and substance" in his writing and being the, "most quotable and, because he spoke with more frequency than most (senior officers of Canadian Universities) we always had on hand more Bissell quotes than we could use" (and so do I today). May I give you three *only*, else you consider I would supplant the speaker. In each quotation he is addressing students:

(a) "I urge you to be skeptical of those who would hold up the pseudo-ideal of being "well-adjusted" and who speak in glowing terms of the "well rounded" man or woman, as if the highest aim of university education were the production of dumplings."

(b) "The *pursuit* of happiness has become the twentieth century nightmare. Happiness is not so much a *pursuit* as a *condition* of inner stability and inner knowledge."

(c) "But it is the importance of the individual scholar to which I return. The college may, indeed, be the last stronghold of individualism. When I look around at my colleagues in the College, I see no reason to lament the passing of characters – characters in the Beecham sense. You will recall that in his discussion of a liberal education, Newman did not maintain that the disinterested cultivation of the mind made for the good life, but he did say that the person with a well-trained mind invariably acquired a certain magnanimity of character. The same is true of scholarship. Your scholar may not be a specialist in public relations; he may indeed have a thorny direct-

> ness in speech and act; but he is usually the character who makes the deep impression and who is remembered long after the more tactful and more conventional have merged with the public they so sedulously cultivated."

In 1958, *Time* magazine observed that Dr. Bissell was chosen by the Board of Governors of the University of Toronto because he was young (41), vigorous, experienced and authoritative. To double the size of a university from its then enrolment of 13,000 and still keep the quality is a challenge he has most certainly met. His predecessor, the immortal Dr. Sydney Smith had observed, "If physical expansion involves academic deterioration, we ought not to enroll one extra student." I hope Dr. Bissell will tell us something of how well the great "12 year plan of 1958" succeeded as his talk today develops. Here, then, gentlemen, is President Claude Bissell, C.C., of the University of Toronto who will address us on the subject – "The University of the Seventies". President Bissell.

DR. BISSELL:

I am honoured to be asked to speak to a joint meeting of the two senior Clubs in this City. One recalls that the Canadian Club grew out of the rise of national feeling in the latter part of the nineteenth century, and that at the time Canadian national feeling was closely bound up with Imperial federation and Canada's responsibility among the nations. Both Clubs have retained this double allegiance – to Canada, and to the wider world; and it is natural for both of you, therefore, to hear spokesmen for higher education, which shares your double emphasis.

I recall that the first speech I gave in Toronto following my appointment as President of the University of Toronto was to the Empire Club, almost exactly thirteen years ago today. The substantive point in that speech was a declaration of support for the establishment in Toronto of a second university. The second university should become, I maintained, “as rapidly as possible a separate and distinctive foundation”. At that time the establishment of a second university in the Toronto area was not looked upon as a self-evident truth, and a backward glance at the 1958 setting and subsequent events will provide an instructive prologue for my glance into the future. I recall three reasons, stated with varying intensity, for doubting the need of a second university. One of them arose from scepticism about the predictions of university expansion, even though those predictions were simple extrapolations of known facts. The other two reasons were, in the broad sense, political, and were held by those who had an honest, if mistaken, idea of what was good for the University of Toronto. It was argued that even a great growth in enrolment could best be met by the expansion of the existing universities, in particular by the expansion of the University of Toronto. At the University of Toronto you could build on a solid bedrock of experience, and you would achieve splendid economies of scale. The third argument was simple power politics – not unknown in the gentle, refined kingdom of academia; establish a second university in the Toronto area, and you thereby divide the government grants and the community loyalties.

It is easy to see now that even from the most selfish instituitonal point of view the establishment of a second university in Toronto was an elementary necessity. Failure to establish such a university would have strangled the University of Toronto with its own numbers, and would have forced upon it a programme of expansion far vaster than the great one upon which it became engaged. But the positive and convincing demonstration of the soundness of the policy of two universities has become evident with the development of York. York has a fresh accent; it is not an extension of Toronto, but a new creation; and it helps to make this City a more tonic place in which to live. York was, of course, the creation of many people, and grew out of many ideas and dreams. The speech of thirteen years ago was only a minor incident, but it is one in which I take satisfaction.

My intention today is to look forward and to make some predictions about the future. I do so with an élan and self-assurance that come only to those who will shortly shed responsibilities. I recall a conversation last summer with a recently retired Vice-Chancellor of a prominent English university; he said that he now proposed to spend his time developing ideal solutions for university problems without permitting himself to be trapped by the facts. There will be, I think, a factual basis in what I say; but it will be general and speculative, and it will be a combination of what I think will happen and what I hope will happen – and these are often hard to reconcile.

I begin with a problem that we have always recognized, but not directly confronted. In one sense, it is the problem of relating numbers to physical capacity; in another and more important sense, it is the problem of determining the limitations of higher education. The sixties were the heyday of egalitarianism. Few questioned the assumption that every qualified student should find admission to the university; but "qualified" was undefined and became increasingly vague. University administrators knew that the public assumption of egalitarianism and accessibility was in practice sternly limited. The professional faculties had quotas, and some of them very exacting quotas indeed, so that accessibility really meant that one could, as a last resort, gain admission to general courses in Arts and Science. In this area, then, there was an increasing number of students who were there for negative reasons, either because they had no specific intellectual goals, or had not formulated any specific professional ambitions. In the seventies the number of these students – and many of them will be sensitive and attractive young men and women – will grow. Without another period of expansion – and both economy and sound policy forbid such expansion – the present system of universities in Ontario cannot possibly absorb these increased numbers. The universities of Ontario have recently suggested that we should think in terms of a new concerted approach to general education, with a central headquarters body charged with the fashioning of curriculum, and a number of centres distributed throughout the Province where tutorial instruction can be carried out. In the report, entitled *Towards Two Thousand*, which contains this recommendation, you will find a frank admission of this need for several levels of post-secondary school education; with the provision, however, for movement between the areas. It is a hierarchy, but the hierarchy is accessible.

One cannot rule out another possibility in the seventies: that a considerable number of young men and women will decide that a general B.A. is not a necessity, and will turn away from the university, or seek specific vocational training in the Community Colleges. In that case, the problem of numbers in the universities will be less intense than we had anticipated.

My second area of speculation concerns the system of financial support. Financial support of higher education is now almost a complete monopoly of government. Now, I hope that in the seventies this monopoly will be broken by increased private support. (This would be a benign process of which the government would approve.) I do not refer to the kind of private support that was seriously advocated during the fifties and early sixties when it was still thought possible to finance capital expansion, in substantial part, at least, from private funds. The shift now will be toward selective projects of an academic nature, such projects as endowed chairs and, on a more adventurous scale, the support of small, private institutes and colleges within the large public university. The complex university will draw strength from independent areas that are oases of individual enterprise and freedom.

The private college really never existed in Canada. In the United States the private institution enjoyed its heyday in the nineteenth century and the first part of the twentieth century, and even today universities like Harvard, Chicago, Yale and Stanford are centres of quality and experimentation that stimulate the entire educational network. In Canada it is too late to think in terms of institutions such as these, for the apparatus of the modern large university – the computers, the libraries, the laboratories – can be encompassed only by government largesse. Within this wider governmental system there remains, however, an opportunity for individual and private initiative. If, as many observers declare, the real source of wealth in the post-technological age will be knowledge, then the private sphere should claim as its right participation in the process by which this knowledge is systematically stored and increased.

I move now from specific problems to general conditions – to changes in the intellectual and social environment. In the first address that I made to the freshman class in the University I called upon them to strive for angularity. Since then I often think of an aphorism attributed to Goethe, "Be careful what you wish for in your youth because you will undoubtedly get it in your middle age."

I think it is clear now that what happened during the sixties in the universities throughout the world, particularly in the West, was a mild, general revolution, in some respects analogous to the 1848 outbreak of the previous century. Its principal events were Berkeley, Columbia, Harvard, the Sorbonne and the London School of Economics. Canada did not have a major event; the central universities felt the shock waves, and a few were shaken; but the only major destructive incident, at Sir George Williams, seems to have been a deviation. But despite the great variety in the range and violence of the student disturbances, they had one common emphasis. That was a protest against impersonal bureaucracy, particularly as it grew and flourished in the large university. Many of the major incidents were triggered by a specific bureaucratic act, by which I mean a correct, but insensitive, response to a crisis.

I pause here to give an example of a "correct, but insensitive, response to a crisis". The following letter was devised by Mr. James M. Shea, Vice-President for University Relations at Temple University, in response to an imagined situation where kidnappers of the President demand a ransom. Like all good parodies, it is at once wildly improbable and wonderfully probable.

"Gentlemen:

> Thank you very much for your note of Jan. 25th in which you request funding in the amount of $100,000 by tomorrow evening to insure against the permanent absence from the campus of Dr. Rowland, the university president.
>
> The vital questions raised in your communication have been discussed fully by the president's cabinet, the executive committee of the board of trustees, as well as the ransom committee of the faculty senate.
>
> As you know, all requests for funds must go first to the finance committee of the board, and then to the full board which meets next on April 28th.
>
> If you and your co-conspirators have had an opportunity to read the Carnegie Commission report on financing higher education, you will know that most schools and colleges are experiencing fiscal difficulty. Our university is no exception. (For your information, a copy of this valuable report is enclosed.)
>
> Despite the long hours and hard work by the trustees and administration to cut costs, the university still faces a sizeable deficit this fiscal year.
>
> Because of recent fiscal reverses, the board feels its responsibility to balance the budget far exceeds the real, and sometimes sentimental, attachment it has for employees.
>
> Dr. Rowland has been president for ten years and is now two years from retirement. During his tenure, he has given the university thoughtful and able leadership.
>
> The various university constituencies here regret-

> fully feel that in light of the university's present fiscal crisis, we cannot fund your group in the amount requested. For the record, however, the executive committee of the board of trustees does want Dr. Rowland to know that it unanimously approved a motion to continue the university's contribution to his Blue Cross and major medical plans.
>
> If the fiscal picture should improve in the near future, you have our assurance that we shall review our decision via, of course, the appropriate constituent committees.
>
> In the meantime, please extend to Dr. Rowland the warmest regards of the trustees, faculty, students, and staff."

All institutions must be bureaucratic to some degree; not everybody can participate in decisions, and this means that many of the decisions will be implemented by those who do not understand them. Bureaucracy is, perhaps, particularly hard to accept in the university where the traditional rhetoric evokes a sense of community, a concern for the individual, and a general atmosphere of unhurried contemplation. The facelessness and impersonality of much that went on in the multiversity was, accordingly, all the more galling.

The initial student attack was directed at the administration, which was seen as the recalcitrant core of the bureaucratic process. Now, however, the attack has shifted to the teaching staff. The staff, according to the student activist spokesmen, have turned a great profession into a bureaucracy; faculty are more concerned, so these students argue, with the mechanism of assessment and their status as productive scholars than they are with teaching individuals. In all of this, there is some truth, and much distortion.

I have presented the student protest movement sympathetically, without any reference to the fringe of lunatic violence that usually caught the attention of the mass media. I think that the student protest movement will continue in the seventies, but it will face a different situation, and, for survival, will need more than rhetoric and mass emotion. Students will now have to move from protest to positive action, and that is always a difficult transition. Many of them have been splendid leaders on the attack, adroit and tireless manipulators, brave men on the barricades; but they must now make their mark in a tougher and more demanding environment. If they are to be entrusted with the responsibilities for which they have fought, they must rearrange their priorities, discipline themselves, and abandon any faith in victory by majority or parity. For their sake, and the sake of the University, I hope that they can make this transition. The universities will need their help, and this country will need students so tested.

The student movement has been and will continue to be more important in changing the atmosphere of the University than in altering the structure of university governance. The principal forces for change here come from the faculty, which wants to be wholly involved, and from administrators and laymen, who want a simpler and more direct system than the one taken over from British and American models: one less vulnerable to veto groups, one designed to encourage innovation and not enshrine the *status quo*. If, in the new system of governance, academic participate in financial decisions, laymen will participate in academic decisions. The traditional university has had not one, but two, ivory towers, and both belong to another age. I believe that university governance of the future will point the way to developments that will come elsewhere, in particular, the closing of two gaps that yawned menacingly in the sixties, the celebrated gap between the generations, and the gap, no less awesome, between those who deal primarily in theory and those who deal primarily in action.

I come, finally, to the most important and the most difficult area of speculation – the general position of higher education in national priorities and esteem. The sixties began with an outburst of euphoric faith in higher education; almost any problem you cared to name, from pollution to world peace, would eventually yield to its wisdom and power. If anything, journalists and businessmen were more enthusiastic about higher education than the educators themselves. Editorials about universities written in the early sixties sound as if they were describing some lost Utopia. I need not remind you that all that has changed: a decent poverty attracted concern, but solvency arouses criticism. Add to this, student arrogance, the tendency for some academics to assume an air of omniscience (especially when they mixed the two mysteries of economics and politics), and doubts as to whether university teachers are as selfless and disinterested as the folk wisdom says they are. As a result of all this, the universities have now entered upon a period of self-analysis and revision, and the mood will continue into the seventies.

But education – and, more particularly in recent years, higher education – has always been a high priority in this country, and it always will be. Even the present criticism of universities for their acceptance of "Americanization" illustrates this. For the criticism arises from the fervent belief that our universities are the principal custodians of the national culture. I share this belief, and I also share the concern that the universities are not sufficiently sensitive to this role. My year teaching Canadian Studies at Harvard impressed upon me that, if we fail to examine our own culture, nobody else will. At Harvard (and this would be true generally in the United States) the chief problem in teaching Canadian Studies is to convince Americans that Canada exists as a cultural and political entity. Almost no Canadian periodical or book crosses the border or the American consciousness; and, if it does, it is assumed to be American. We need, in this country, to pay particular attention to the development of the arts, the humanities, and the social sciences, for these contain the key to understanding ourselves and the means whereby others can understand us. In the current concern about overemphasis on graduate studies, we must not repeat the mistakes of the sixties when the need for teachers, particularly in the humanities and social sciences, could be met only by turning to other countries.

The sixties were dominated by mass movements of students and staff, by the necessary response in physical expansion and the growth of systems and techniques of quantitative measurement. Both the universities and the Provincial Government resisted the temptation to solve all problems by the imposition of a uniform, provincial system. The individual university came under criticism, externally, because it insisted on maintaining its autonomy, and internally, because it adopted more restrictive methods of control. The overriding problem of the seventies will be to maintain a high degree of institutional autonomy within a strong provincial system. Independent universities provide one necessary check on the power of the corporate state. They remain places where strong-minded individuals can flourish. When I think of the University of Toronto, I do not rest long on the external pomp of size and complexity, but rather on the succession of scholars, teachers and artists – in my time, I think of Best, Creighton, Frye, Innis, McLuhan, Polanyi, Pratt, Willan, Wilson, Wright, Woodhouse, Underhill. The list could be greatly extended – men, who taught us and taught the world, that Canada is more than a place of surface activity. This is the true glory of a university. May it always be so.

The gratitude of the conjoined clubs of today was expressed by the President of the Canadian Club, Mr. John Gray.

APRIL 22, 1971

Inflation and the Economy

AN ADDRESS BY Leonard Woodcock,
PRESIDENT OF UNITED AUTOMOBILE WORKERS UNION

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. D. Clarke Macdonald

DR. CRANFIELD:

I hope it seems funny to you, but I'll wager it isn't a joke in good taste at the International Union of the Automobile Aerospace Agriculture Impliment Workers of America Head Office at Solidarity House. For a few weeks now their office staff and others who did not belong to the United Auto Workers Union were on strike. I am sure Mr. Woodcock says to himself, or said to himself at least, "Solidarity House, baloney!" So to get to work our speaker probably had to cross a few picket lines but he tells me that's not the first time he's done that and I picture that his desk is now getting less of a pile of mail on it than before, and I was unable to get through to him when I was trying to finalize my arrangements because the telephone switchboard was on strike. Fortunately, I was able to persuade the girl in the United Auto Workers 707 Branch in Oakville that I was a fit person to have this private line number. But I had to commit the number to memory and swear a "cross my heart and hope to die" oath that I would not divulge it to anyone else. So, we did manage to make our final arrangements and our speaker is here.

Though I had just started kindergarten when our speaker was born, we were both in the group that were affected by World War I for the same reason. In each case, in August of 1914, my father and his were employees of German firms. So each was suddenly out of work the day war was declared. It is almost true but not quite. His father managed to hang on till January. But the family at that time, in the speaker's case, had moved from Providence, in the state of Rhode Island, to Germany, where his father installed machinery made in Providence in a German plant. Mr. Woodcock Senior was a British citizen so he was automatically interned in Germany and didn't get to rejoin his family until after the war was over. That fall, my father helped to bring in a harvest of wheat in Saskatchewan. We always have to do something. Now Leonard and his mother, having managed to leave Germany, went to Britain and there they stayed until 1926. His early education in Britain was at Northampton. The family moved to Detroit which permitted our speaker's entrance to the Detroit City College, now known to you as the famous Wayne State University with an enrollment of 38,000 people, students. I trust they are all students. He completed his education by some studies later at the Walsh Institute of Accountancy. In the dirty thirties, economics altered all sorts of life plans, and after a year in the ranks of the unemployed, our speaker got a job as a machine assembler with the Detroit Gear and Machine Division of Borg-Warner Corporation, and immediately joined the A.F.L. Federal Labor Union which, as you all know, is now part of U.A.W. His union activities and special abilities brought him to the attention of the late Walter P. Reuther who, on becoming President of U.A.W. in 1946, appointed our speaker as his first administrative assistant. He stayed with him for a year and leaving here in 1947, went back to his job at Continental Motors. He has tremendous capability as an organizer and as an administrator and consequently went on up through a variety of directorships in the union and which he eventually became head of the union's General Motors Department, which is the largest section of the union. History is full of circumstances in which a variety of rights for workmen were established. And this is true in his case. Local agreements, for instance, in addition to national master contracts, are now negotiable with strike rights to back them up. This is due to his energy and persistence. In 1961, he negotiated the first contract clause barring discriminatory employment practices. So we have a humanitarian in our midst. His triumphs go on. Not all were with the U.A.W. He has gone beyond this to battle for the outlawing of discriminatory practices in jobs everywhere; one example being discrimination in housing. These are things we don't think about in terms of a man who is with the United Auto Workers.

Many other aspects of American life have become his concern. At the same time the inroads could be made by legislative assault on both sides of our common national boundary are subject to his scrutiny. His political energy and planning are alert to safeguard the hard-fought privileges that unions now possess. It is only natural that his wisdom, strength and imaginatory skills would be recognized by his own university and he served for two terms, a number of terms actually, I think eleven years in all, on Wayne State University's Board of Governors. Regrettably, his responsibilities to the United Auto Workers have been so excessive that he's been unable to carry on in that. He has been repeatedly Chairman on that Board.

Sixteen years ago, the Empire Club was privileged to listen to Dr. Walter P. Reuther and I have just re-read that address as it appears in the bound volume of Empire Club speeches for 1955 and '56. And I believe we are about to hear another inspiring presentation, this time from his successor. I now present to you, Leonard Woodcock, President of one and one-half million members of the United Auto Workers Union, who has selected as his title, "Inflation and the Economy." Mr. Woodcock.

MR. WOODCOCK:

Thank you very much Mr. Chairman, distinguished guests, and gentlemen. I guess all I can say about the late unpleasantness that we went through at Solidarity House, it's now behind us. We live by our principles, no matter whether we're on the giving end or the receiving end.

I would like to discuss, today, the outcome of the General Motors negotiations of 1970 which drew such wide attention, both in the United States and in Canada. It was the first time in the Big Three that the contracts from both sides of the border ran out at the same time and the negotiations therefore were carried on in the same time frame. There was of course a strike in General Motors. It began both in Canada and in the United States, midnight on the 14th of September, lasted in the United States for 10 weeks and then was settled, but only for the U.S., with the Canadian strike continuing. At that time, there was considerable uproar in the Canadian press to the effect that we had abandoned the Canadian section, that we had walked out on them, and this really wasn't in effect an international union. Shortly thereafter when I joined Mr. McDermott in the G.M. negotiations right here in this hotel, we got the other side of the record. Mr. Woodcock was coming here to import American inflation into Canada and to pull the rug out from under the Canadian economy. And particularly when we proposed that we use the same consumer price index to measure the movement of wages, the uproar became loud indeed because, in proposing the same index, obviously if we were to have the same index on both sides of the border, already having signed and settled agreement in the U.S., that index had to be the American index. Well, in the event, of course, that didn't happen. But I think that it is important that we understand the background of the American negotiations which were considerably different than Canadian because of the sharp inflationary problem that we had in the United States. That inflationary problem plagued the automobile negotiations of 1970 and it was an inability to find another solution to that problem which was the main cause of the General Motors strike. When we opened the negotiations, U.A.W. tried to underscore what we believed to be the nature of the American inflation. And we spent a lot of time quoting a former great president of the General Motors Corporation, Mr. C. E. Wilson, who back in 1952 said, "I contend that we should not say the wage price spiral, we should say the price wage spiral. For it is not primarily wages that push up prices, it is primarily prices that pull up wages." Now we quoted Mr. Wilson, not simply because he was a former president of the Corporation, but also because in our opinion he was right and that his opinion is supported by the actual fact. The *Wall Street Journal*, in an issue of Augut 5th, 1968, in a very comprehensive survey of the inflationary problem, pointed out that, with regard of course, still, to the United States, that in each of the three major inflationary periods of the last 20 years, prices began to climb while labour costs per unit of output were declining. And in each of the three cases, labour costs continued to decline for some time after the price rise was under way. In the current inflation, from which we are still suffering in the United States, was no exception. At the end of 1964, wholesale prices had been relatively stable for some years. We had during those early years of the 1960's an expanding economy, a declining unemployment although declining from a very high level at the beginning of the decade, and at this same time, that is the late months of 1964, unit labour costs began a sharp decline which lasted throughout 1965 and into the early months of 1966. Wholesale prices, on the other hand, began a slow rise in the early months of 1965, which were sharply accelerated in the summer and fall of 1965. It is not difficult to understand why that sharp escalation took place, because the summer of 1965 we also had another escalation, escalation of the war in Viet Nam. And wholesale prices then continued their rise into 1967 and, of course, beyond. Unit labour costs began to move up sharply beginning with the early months of 1967. But the important thing to understand is that this was 18 months after the beginning of the price rise in the economy. And this was because workers began to strive to catch up, to repair their damaged cost of living position, and also to fight to anticipate future price rises. And at this point, of course, the labour costs push aggravated the other problems. But the other problems, of course, remained. They were the failure of the government in 1966 to increase taxes to meet the increased war expenditures; the further failures of the government to let the surtax which had been put in place, lapse. And, of course, our tremendously escalating military budget.

Now the U.A.W. problem, then, as we came to the General Motors negotiations was that we had just before us long term agreements that had been negotiated, which had big wage increases in the second and third years of those agreements, which underscored the expectancy of our people, and we said to our people that we should have in the second and third year of a three year agreement, which the industry wants, of course, for stability, which our people want for a different kind of stability – their own family stability – that we should be content with moderate and restrained increases in the second and third year of such an agreement, provided those increases in their purchasing power value were completely protected against the possibility of rises in the price index. And so we said to General Motors that the solution had to be a first year increase, which had to be sizeable because we had to catch up with the lost position as against the cost of living and we had to make some progress. When we finally settled on the 12th of November, in Detroit, we got an average increase for the first year of 51¢, which sounds high, but of that 51¢, 33¢ was catch up cost of living, 26¢ which had already become due at the ending of the old contract under what would have been the normal operation of the escalator, 7¢ which was the additional cost of living money which became due through the time frame of the negotiations, a 3% annual increase factor which equals 12¢, and the only additional new money on top of what was 6¢. In the years two and three we accepted the same 3% which is less than the long-term national productivity of the American economy and certainly substantially less than the long-term productivity of the General Motors Corporation and we were able to do this because we did restore to the contract the quarter annual adjustments and cost of living as measured by the consumer price index to the United States Bureau of Statistics.

I might say that when the settlement was made the Nixon administration issued what they called a second inflation alert in which the General Motors settlement was branded as being inflationary and bad for the country. We didn't think it was – we thought it was counter-inflationary, but low and behold in the first of February, 1971 when the President of the United States in his annual economic message to the Congress, attaching to it the annual report of the Council of Economic Advisors, there is embodied in that report this paragraph –

> "To embody in wage agreements covering two or three future years provisions for wage increases based on the assumption that prices will continue to rise at recent peak rates is not a reasonable response to our present situation. If this were done generally it would be a recipe not only for permanent rapid inflation, but also for persistent unemployment because the Government would be bound to try to check the inflation by generally restrictive policies. On the other hand, in some escalated clauses, which relate future wage changes to

> actual variations in the cost of living rather than to the expectation of continued inflation at its peak rate may have a role to play during the adjustment to a more stable price level.

Well, I think possibly had the administration said that in August of 1970 instead of February of 1971 it is very possible there would not have been a General Motors strike, but even for a delayed reaction, I am grateful.

Now, obviously, this apporach to wage stability by itself will not ease inflation, but it does allow breathing room, while other factors can be brought into line, the chief of which has got to be in, and our Union is insistent and demanding on this, the ending to the ghastly tragedy of the Indo-China war, and also to sharply reduce, when necessary, military spending. Now, with the U.S. strike ended, we face the continuing Canadian problem. I am sure everyone here understands that there is between our two countries a treaty made in U.S. auto-pack, which was brought about by the fact that in the pre-1965 period, Canada had an adverse balance of trade with the United States in automobiles and parts to the tune of $600 million annually. And certainly an outflow of that size in an economy of the size of the Canadian was such that it was intolerable and could not continue. Canada had, obviously two choices, to go to the Australian route to demand an all-Canadian car which by the economy scale would not have been the kind of car to which Canadians have become accustomed, and would have been a sharply reduced industry, or to do what was done – to work out a common market, which in this case, say a manufacturers' common market as between the two countries. When we came then to the 1967 negotiations we had the problem of one market between two countries fully under the control of the American companies that owned the facilities on both sides of the border. We made a demand for the the same wage rates to be paid in the Canadian plants as in the U.S. plants. We made the demand on the basis of equity and, very frankly, we made the demand in terms of protection of American jobs because with the same market, with the unrestricted right to place facilities anywhere if there had continued the 43¢ an hour differential that then was prevailing as between the Canadian plants and the American plants, given a recession in the industry and in the economy, there would be an almost automatic movement of jobs to the lower wage level.

Now, wages in the automobile industry are made up of two components, what we call base rates and the cost of living factor which is fed in by the operation of the escalator. When the settlement was made to pay the same wage rates in 1967, it provided for base rate parity, but not cost of living parity. Now the expectancy at that time was, and it had been the fact for the 20 years before, that inflation would move more quickly in Canada than it would in the United States, and what we would come to 1970 with, in fact, higher rates in Canada by virtue of more money being paid on the escalator, but with the base rates still the same. Of course, the Vietnam war is what made the difference – when we came to the end of the contract it was 26¢ owing in the U.S. and only 11¢ in Canada. That is why we proposed to have the same base rates and to use the same U.S. index, which the reaction was that we were importing American inflation into Canada. The way this problem was solved and its only an interim, temporary solution for the assembler, the production machine operator, that's the most populated classification on either side of the border as we continued the endeavour to end the Canadian strike, the U.S. rate was $4.25 base rate plus 5¢ left in the cost of living float. We solved that by having the Canadian base rate immediately reflect $4.12 and to move up to the $4.25 plus 5¢ in two stages through September and December of this year. But, 13¢ of that is discounted against future cost of living increases in living in Canada which, of course, guarantees that we are going to have the same wage gap, in 1973, in the same unsettled state of affairs.

In this connection, I would like to point out – the common market came about because of the tremendously adverse balance of trade as between Canada and the U.S. Pre-1965 more than $600 million annually. By 1969, taking the first 11 months because similar comparison in 1970, that adverse balance had dropped from $600 million to $129 million. Last year, in 1970, the adverse balance had reversed itself and the U.S. now has an adverse balance of trade to the extent of $166 million. I emphasize that simply to point out that if there is to be a substantial disparity of wages to the disadvantage of the American sector in a situation where the balance of trade has so substantially reversed itself, and where the United States itself has a balance of trade and an outflow problem with regard to the world in general that this is a difficulty that we have to solve if we are going to keep the manufacturers common market in the automotive industry.

Now, people will say, how can you have the same cost of living application on the two sides of the border? Well, first of all the Dominion Bureau of Statistics made a survey in the spring of 1970, which showed that on balance the difference in the cost of living between Canadian cities and American cities was 5% to the advantage, of course, to the Canadian cities. But, we have within the United States wide differences of cost of living in cities and at one time we used to have different wage rates that were paid in Atlanta, as against New York, as against Detroit, but we insisted that when a car was built, no matter where it was built, for the same market, it had to carry the same wages. That principle has long since been established. In Atlanta, for example, where there are two General Motors plants, they have a cost of living 21.7% below New York, which has a General Motors plant in Terrytown. Detroit has a cost of living which is 11.3% below New York. So these differences in cost of living cannot allow for differences in wage rates when that compels the movement of jobs. In one market there has to be one rate, and I submit this common market cannot survive politically with unequal rates, particularly when we get such sharp changes in the balance of payments. If we did not have a cost of living component of the wage setting, we would have had the same rates. When you have the reasonable and sensible approach that we made in the 1970 bargaining, in a most difficult situation, which I think has reversed the trend that was well under way to this constantly mounting escalation to huge increases to anticipated inflation and thereby almost guaranteeing that inflation, we reverse that and, therefore, we believe the annual improvement factor concept, plus cost of living protection where the wages don't increase until the prices have first increased, is counter-inflationary and is good for our two countries. But, to keep that we need one index. I would suggest that since it may be improper to use in one country the index of another, that it would be a very fair compromise to have a weighted composite of the Canada and U.S. indexes with that weighted composite index to be used both in the United States and in Canada, and I conclude by saying that I am absolutely convinced that this is the only way to avoid continued strife and turmoil in the Canadian automobile industry and to preserve the automotive common market which I think is good for the economy of our two countries.

The gratitude of the Club was expressed by Brigadier General Bruce Jarvis Legge, Q.C.

APRIL 29, 1971

President's Report 1970-1971

ANNUAL GENERAL MEETING

CHAIRMAN The President,
Harold V. Cranfield

GRACE Rev. E. C. Lacey

DR. CRANFIELD:

The first part of this programme must, by statute, be the brief Annual Meeting which I now call to order. My advice to any president on retirement is that he refrain from reading the record of his predecessors from earlier annual meetings. Should he have gone back through only a dozen volumes of Empire Club addresses he would reaffirm as the preacher in Ecclesiastes, 1,000 years before the birth of Christ had, "and that which is done is that will shall be done; and there is no new thing under the sun." Some little bits of history may be forgiven me, if repeated. In 1904 Lieutenant Colonel James Mason, our founding president, continued in office for a second term at the bidding of the membership. They were tougher in those days! So in 1909, the Empire Club's seventh year, the club had selected its sixth president. He was Dr. Elias Clouse, a Charter member, moreover he was a physician. His term in power was so illustrious that in the sixty-one years since, every physician-member of the Empire Club was too modest and too wise to accept the presidency, though I am sure that many illustrious well-qualified colleagues of mine had been approached. I am retiring as your 68th President in the 68th year of the Club, for in one year there were two in the office. (The Hon. Roland Michener began the 62nd year and Lt. Col. Robert Hilborn completed it.)

The year just finished cannot be compared to 1909 and 1910, and I would be shown at disadvantage if you were to do so. In review of 1970-71 there were thirty meetings. At half of these, speakers were from within Canada and five of these from Toronto. Of the others, two were from foreign lands, seven from Britain and five from the U.S.A.

Two Canadian judges, each with the given name of Samuel, were superb. We picked well for one of these celebrated benchers was later elevated to Chief Justice in his province. Of the seven from the United Kingdom, we picked well, two were already peers and two were invited as commoners but our choice was that of the Queen also, and they were knighted prior to arrival on our platform.

Of the Americans to address us – two were from the space-age. Captain James Lovell of Apollo XIII in August, and in November came Mr. Arlon J. Svien, a space scientist, who more than symbolized those who made every space shot a success and without whose contribution James Lovell's journey to the moon would have been his last trip of any kind. Two of our speakers were from the world of communication, John Straiton and Murray Chercover. Four were captains of industry, Arthur Child, Sir Charles Hardie, Robert Bonner and David Mulholland. Two were world-renowned bankers, David Nicolson and Tony Hellmuth and two, Leonard Woodcock and our speaker of today are without parallel as authorites on labour negotiations and capital-labour confrontation. Three of our speakers hold the highest Canadian Civil decoration, "Companion of the Order of Canada." We anticipated the Royal Bank of Canada by inviting as speaker Lorne Rowebottom, to address us on "Canada's Census" a month before their famous Bank Letter on that subject appeared. On two occasions

The Hon. W. Ross Macdonald, our Honorary Vice President and Ontario's Lieutenant Governor, joined us. Our most spectacular pageant was the giving of the Scroll of Office to our Honorary President the Governor General of Canada, His Excellency the Rt. Hon. Roland Michener, C.C.

Mine is the year of the dubious honour in which two speakers came late. The first one so late that the meeting was dissolved before his arrival. The audience returned a second time, in even greater overflow numbers, when Mr. H. Heward Stikeman came back two months later. The second late speaker, The Hon. John Munro, arrived before his meeting broke up but a good friend of ours and his, The Hon. John Yaremko, had come at the Chairman's suggestion prepared to speak. That audience got two speeches for the price of one lunch, the earlier audience got one speech for the price of two.

Ladies joined us in meetings of August, October, December, January, February and March when the occasions were appropriate for their presence. On each of two of these the speakers, illustrious in their own right, Dr. Jean Vanier and the Earl of Bessborough, were, as well, the sons of former Governors General.

Other speakers, not directly referred to by name, gave quality addresses which, if you unhappily did not get to hear them at least you will be privileged to read their remarks when the Year Book appears. A variety of local society organizations joined us and there were two joint meetings each with the Canadian Club and with the Royal Commonwealth Society, all of them social and intellectual successes. To chronicle and savour every wonderful detail of the past year will only be a disservice to you and to the speaker you are waiting to hear.

The financial position of the club is improved due to (1) a fee rise, (2) profits from special events and (3) rigid economies, all three of which were not achieved without some sacrifice of the president's popularity. This is more than made up for by the knowledge that a viable club is going to my successor.

The Chairman of the Budget and Finance Committee has given me some interim figures which must be considered in finality as approximate only. At the end of last year (i.e. April 30th) members' equity showed a deficit of $7,716.00. On the regular year's operation this year there was a profit of $2,700.00.

Special events were as follows: Erhardt luncheon in June gave us an additional loss of $107.00. All other special events showed profits which were as follows:

Dinner in honour of Hon. Roland Michener	$ 378.00
Christmas Party	571.00
The Lovell Dinner	3,031.00

In addition to this the Champlain Society shared our space and our secretary which to date contributed $1,375.00. Balancing out these figures against one another shows that the deficit figure of $7,716.00 plus a further loss of $107.00 has now become a profit figure of $230.00. We have therefore changed our position in the right direction by more than $8,000.00 this year. Mr. Jackman cautions me that this takes into account accrued expenses to this moment for which approximate costs only can be made. This then is not an audited figure. Mr. Jackman, the Chairman of the Budget and Finance Committee, suggests that I also draw to your attention that our budget was based on an income of $30,000.00 from Membership fees. We are happy to report we achieved 90% of this with an income from that source of $27,084.00.

It has been great good fun to be your president and an honour that I did not deserve and which, as you all know, cannot be sought nor campaigned for. You will recall we were stressed by a series of postal strikes throughout the early months of the Club year. A British postal strike peaked while I was finalizing details about speakers from Britain.

Cable costs nearly ruined my personal budget. Last week's speaker, the President of the U.A.W., was out of touch because his office staff was on strike. I did reach him by private-line telephone, fortunately. Every president over the last dozen years has exhausted the lexicon saying beautiful things about the men that supported him in office. No president has had better support from every officer, director and past president than have I! Should I leave out the name of even one it would be a disservice. So I will name none though it is always a thrill to hear one's special mention. Instead cast your eye down the lists of directors and officers and to them I say, "Read your name with pride, you made it a great year!" While she is not here to accept the praise, she knows I do her honour, for Mrs. Cranfield became the presidential secretary and has typed this and all my verbosity. Her generous and unending tolerance carried me through the year without a single detour to the couch of my psychiatric confreres.

I have at hand a book titled "The Stress of Life." It is by one of this year's speakers, Professor Hans Selye, C.C. Once the Chairman of the nominating committee has brought in the slate of those recommended, and if they be accepted by the membership, I shall present this book to my successor in a private ceremony.

I shall now call upon the Immediate Past President, Mr. H. Ian Macdonald, to present his report.

MR. MACDONALD:

Mr. Chairman, your Board of Directors appointed the following members of the Club to serve as a Nominating Committee for this annual meeting.

H. Ian Macdonald, Chairman
Robert L. Armstrong
Arthur R. T. Chetwynd
Robert H. Hilborn

C. Warren Goldring
Henry N. R. Jackman
Bruce J. Legge
James A. Parish
George O. Stafford
Harold V. Cranfield, ex-officio.

The Committee has carefully reviewed the aims and objectives of the Club, assessed the period of service of the present officers and members of the Board, and acknowledged the continuing need to renourish the Board with new members. Accordingly, I now have the pleasure of submitting our recommendations to the members of The Empire Club.

We are indeed happy that the following have graciously consented to continue as Honorary Officers:

Honorary President – His Excellency, The Rt. Hon. Roland Michener, C.C., C.D., Governor General of Canada
Honorary Vice-President – Hon. W. Ross Macdonald, P.C., LL.D., Lieutenant-Governor of Ontario
Honorary Secretary – His Worship Mayor Wm. Dennison, Mayor of the City of Toronto
Honorary Treasurer – Marvin B. Gelber
Honorary Assistant Secretary – Norman Borins, Q.C.
Honorary Assistant Treasurer – R. Ford Ralph
Honorary Auditor – H. T. Jamieson, F.C.A.

I am pleased to report that the following have been invited to continue as members of the Board of Directors and are willing to do so:

Philip J. Ambrose
Chad F. Bark
Donald H. W. Bath
E. T. C. Burke
Arthur R. T. Chetwynd
J. H. Corrigan
Alfred H. Cowling
Clarence B. Crummey
Harold G. Gillingham
Gordon E. Grundy
Peter Hermant
C. C. Hoffman

Peter W. Hunter
Allan F. Lawrence
W. Malcolm McIntyre
James Mackey
James A. Parish
Douglas Winters

In addition, Mr. John Irwin, who served faithfully during the past year as Third Vice-President, is willing to rejoin the Board of Directors, and our retiring President, Harold Cranfield, along with Graham M. Gore, H. Ian Macdonald, and R. Bredin Stapells, will make up the four additional Directors, required by our constitution, to be recommended from the company of Past Presidents.

In addition, we are recommending the names of twelve members for appointment to the Board. As I indicated, this is part of a deliberate effort to ensure that new faces, representative of varied interests, will appear on the Board of Directors each year. The new names are the following:

Hugh A. Crothers, President, Crothers Limited
Ross DeGeer, Vice-President and Director, J. L. Goad and Company Ltd.
Dr. E. C. Dowd, Surgical Consultant, The Ontario Workmen's Compensation Board
Ronald Goodall, Member of Riddell, Stead and Company, Chartered Accountants
R. W. Inglis, President, Kilgorrie Distributors Limited
William M. Karn, Manager of Export Sales, Electric Reduction Co. of Canada
J. R. Massingham, Executive Vice-President and Chief Operating Officer, Canadian General Insurance Co.
Hartland M. MacDougall, Executive Vice-President, Bank of Montreal
John A. MacNaughton, Portfolio Manager, Fry & Company Limited
Winfield McKay, President, W. G. McKay Ltd.

George O. Stafford, Manager of International Development, International Customs Brokers Limited

John G. B. Strathy, Sales Representative, Associates Acceptance Co. Ltd.

To those retiring from the Board, we extend our appreciation and gratitude for the considerable years of collective effort represented by their membership; we have no doubt that they will continue to be devoted members of the Club.

Last year, the Board decided that the onerous duties of Secretary-Treasurer should be carried out by the incumbent for two successive years, but that no one should be required to discharge these duties for a longer period, unless he were so willing. In keeping with this policy, we have invited Mr. R. C. A. Waddell to serve a second term as Secretary-Treasurer.

For the office of Third Vice-President, we are delighted that Mr. Robert L. Armstrong, General Manager of the Guaranty Trust Company, has agreed to move into the company of potential presidents. Robert Armstrong has been one of the most diligent and reliable members of the Board of Directors, and we know that he will add great strength to the group of officers who will be supporting the President next year.

The capacity of the Club to retain a contemporary style and to be regenerated by on-going reform is assured by the willingness of the Chairman of the Ontario Law Reform Commission, H. Allan Leal, to remain as our Second Vice-President.

When I was a freshman at the University of Toronto, there was a senior in a coon-skin coat who was known far and wide for his enthusiasm and corporate loyalty. I refer to Joseph H. Potts, Q.C., of the legal firm of McKinnon, McTaggart. When he was a Private in the Canadian Army during World War II, it is said that his father, General

Potts, once remarked that Joe must be the only Private in the Canadian Army with a General as a batman. We are confident that his continuing energy, unquestioned loyalty and capacity for administrative delegation to his superior officer will accrue to the good of the Empire Club, and we recommend, enthusiastically, his appointment as First Vice-President.

No one but a Past President knows fully the extent of commitment and hard work that is necessary to survive a year as President of this Club. Accordingly, it is a recommendation which we undertake with great care and forethought. Those of you who have had the privilege of hearing Hal Jackman on the platform, have been impressed by his crisp and incisive mind. Those of you who know him personally are familiar with his charm and candour. I know you will all share our satisfaction that he has agreed to accept the nomination as President of the Empire Club of Canada. Since he is also Chairman of the Board of The Empire Life Insurance Company, we believe that we will be well covered for all contingencies and risks. We are certain that he will not turn out to be an "I'm alright Jackman," for he is concerned about the future of this Club and will do what is required to ensure its vitality.

Finally, as Immediate Past President, until midnight tomorrow, I wish to say a word about Harold Cranfield. During 1969-70, it fell to me to diagnose certain ills in The Empire Club, particularly in the conduct of our business affairs, but it became the responsibility of the good physician, Harold Cranfield, to prescribe the remedies and to supervise some of the necessary therapy. All of you have had an opportunity to enjoy and to admire the dignified, gracious and faithful leadership of Harold Cranfield at the rostrum. Only those who have worked closely with him, as the Board of Directors has been privileged to do, know of the countless hours, the indefatigable zeal and the infinite patience and concern which he has contributed to the affairs of the Club. He has kindly referred to me, during his Presidency, as his Chairman of the Board, and I can assure you that, as a result of the toil and unstinting concern of Harold Cranfield, the affairs of the Empire Club have never been in better shape.

Mr. Chairman, I am delighted to nominate to the offices I have described, the members whose names I have recorded here and, in particular, as the spokesman for the Nominating Committee, I take great pleasure in nominating Henry N. R. Jackman as the 69th President of The Empire Club of Canada. I move that this report be received and adopted.

DR. CRANFIELD:

Are there any other nominations? None being put forward I declare nominations closed. All those in favour of the motion please say "Aye".

I declare the motion carried and ask the Secretary-Treasurer, Group Captain R. C. A. Waddell, to cast one ballot in favour of those members named in the report of the Nominating Committee.

GROUP CAPTAIN WADDELL:

In accordance with the instructions of the Chairman, I hereby cast one ballot in favour of the election of those members named in the report of the Nominating Committee, as attached, and as bearing my signature.

DR. CRANFIELD:

I declare the members named to be elected Directors of the Empire Club for the year 1971-72 and Mr. H. T. Jamieson to be appointed Honorary Auditor for the year.

APRIL 29, 1971

Labour Relations in the Seventies

AN ADDRESS BY George B. Morris Jr.,
DIRECTOR OF LABOUR RELATIONS FOR GENERAL MOTORS

CHAIRMAN The President,
Harold V. Cranfield

DR. CRANFIELD:

Our speaker today is trained in the law and from the brevity of his curriculum vitae as submitted by him is obviously a modest man.

He was born on February 26th, 1917 in Detroit, Michigan and seems to have made his headquarters right here. He attended Sacred Heart Seminary and following graduation from the University of Detroit High School took a year at the University of Detroit then transferred to the University of Notre Dame where he took his A.B. and J.D. degrees. A member of the Michigan Bar Association, our speaker is a past president and director of the Law Association of the University of Notre Dame Law School.

At the age of 24 he joined General Motors as an assistant supervisor of labour relations for the Fisher Body Division in Pontiac, Michigan and in June 1942 on being promoted as one of the four original members of the Division's Industrial Relations Section, joined Central Office in Detroit. Throughout the war his services were in demand in a variety of National War Labor Boards including service in Washington as the General Motors company representative.

By March of 1948 he was appointed to the staff of the Vice-President in charge of Personnel and Labor Relations. Now he was involved in arbitration cases with 19 separate international unions. Two years later (1950) the historic five-year agreement between G.M. and the United Automobile Workers and other unions was reached. After this, three-year agreements were reached successively right up to the present and he was involved in all of these as a negotiator.

In 1963 six G.M. members began a "G.M.-U.A.W. Study" as a committee to search out the future problem areas about which national collective bargaining negotiations might run aground. For the first time in the automobile industry, plans could be made in anticipation of troubles in labor/capital relations.

A recent local press release was headed "G.M. Chairman takes pay cut of $405,000." Reading further it proved to be the effect of elimination of bonuses to top executives in the world's largest automaker. I judge that our speaker obtained some kudos from the settlement of the '67 U.A.W. strike. Somehow, I imagine Mr. Roche, G.M.'s Chairman, managed to get by on his salary for the tax bite on that $405,000 would be considerable, at least in Canada he would only be able to keep one-fifth of it. So he would be short $81,000 for that is all he would keep of it. Profit losses were blamed on this strike. Just how much of the 1970 lowered income which was in excess of a billion dollars, can be laid to this cause we may find out before this afternoon is over. 50,000 Canadians earn 475 million dollars making cars and if we are vitally concerned that our economy will be preserved, this is not an inconsiderable sum towards it.

So as the man who has specialized with such notable success in resolving the labour problems of the millions employed in the giant automobile business, and who has been doing so for thirty years, he has become expert. Mr. George B. Morris, Jr., Director of Labor Relations for

General Motors Corporation, Detroit, has chosen as his topic: "Labor Relations in the Seventies." Mr. Morris.

MR. MORRIS:

Thank you, Dr. Cranfield, and good afternoon, gentlemen.

I'm honored to be with you. The Empire Club of Canada has a reputation of excellence which reaches far beyond Toronto. Actually, I've spent enough time in Canada since 1949 – and more specifically in Toronto – to feel that I might qualify as an applicant for a non-resident associate membership. This, of course, is reference to the days, weeks and months spent here bargaining with the U.A.W. During these periodic relocations in Canada I have watched with interest, respect and envy the transformation of Toronto into one of the great cities of North America. With imagination, positive action, faith and courage of conviction, you've turned this city into something special, a city which many others would emulate.

It was just prior to the Christmas holidays when we checked out of this hotel after reaching the agreement that ended the G.M. strike of last fall. Not only has spring arrived since that time, but the auto industry in North America has been doing very well since we got back to the business of building automobiles.

There are many topics of interest which we could discuss today. In fact, business has never known a period like this. Not too many years ago about the only concern was whether a business showed a profit or loss. Today the range of interest is seemingly endless, running the gamut from ecology to equality of employment or from absenteeism to consumerism.

It is my purpose here today to confine my remarks to one aspect only of this broad spectrum of public interest and concern: the ongoing union – management relationship and what we see for that relationship during the decade of the 1970's.

For more than 30 years, the following paragraph has appeared at the front of every General Motors national contract with the United Automobile Workers in the States:

> "The management of General Motors recognizes that it cannot get along without labor any more than labor can get along without the management. Both are in the same business and the success of the business is vital to all concerned. This requires that both management and the employees work together to the end that the quality and cost of the product will prove increasingly satisfactory and attractive so that the business will be continuously successful."

We subscribe to this same philosophy here in Canada.

That is to say, certainly, that upon occasion we do not differ in our approach to this common objective. We have differed in the past. We will differ in the future. But more times than not we work out our problems peaceably. The strike of last fall was only the second strike in the States over national issues since 1945. The other strike over national issues was for one week in 1964. Unfortunately, our record here in Canada has not been that good.

In our 1970 negotiations with the U.A.W., we emphasized repeatedly that between General Motors and the U.A.W. there is a far greater community of interest than of conflict. This will continue to be the theme that we try to hammer home in the 1970's. The time is now for the parties to focus sharply on the major and many points of common interest – to strive to achieve the co-operation necessary to meet the challenge that lies ahead for our industry. Their very survival depends upon our survival.

There are not many in this room today who do not recall personally – or at least have read about – the early days of the union-management relationship in the auto industry. The sit-down strikes of the '30's made news throughout the continent. The confrontations then were not far removed from some of those making news in our major cities and on university campuses today.

Much has happened, however, since those days in the '30's. International unions today find that their own self-interest in many areas coincides with the interests of management.

In the '30's the then young labor movement was the militant aggressor, struggling for recognition and trying to get a foot in the door. Today the unions are recognized, experienced, successful and solvent. In short, they are establishment. And they, like management, find themselves under considerable pressure from factions and self-interest groups within their membership. Among these special interest groups are the young (G.M. has more than 100,000 employees in the States and Canada under 25 years of age), the older employees, women, minorities and the politically motivated.

The young want more money in their pay checks now. The older employees want higher pensions in their retirement. The women and minority group employees want greater job opportunities. The politically motivated want recognition.

To the extent the special interests of these groups are diverse, or their priorities are not the same, union leaders will be called upon more and more to provide intelligent direction in selecting attainable goals for the membership.

To cater to all pressure groups by simply transmitting all of the respective demands to management is to abandon the leadership role.

It seems reasonable to assume that these pressure points will continue to intensify for union leadership in this decade. So they find themselves with some of the operating problems that management has known and continues to experience.

As a very normal outgrowth of this sort of confrontation, questions are being raised as to the relevance of collective bargaining as we know it in the handling of the union – management relationship in the '70s. This is an area where our community of interest is at its greatest.

While collective bargaining as it has matured in our industry may not be ideal, nothing better appears to be waiting in the wings. Neither compulsory arbitration nor labor courts have as much to offer.

Our system provides an orderly process for resolving problems within our industry. And it must be supported. The grievance procedure with arbitration, if necessary, as the terminal point, which was pioneered in the heavy goods industry by General Motors does work when the parties adhere to it. The alternative to the orderly procedures provided for in our contract is a breakdown of authority and resolution of problems by unauthorized work stoppages. The result under those conditions is serious damage to productivity with loss of competitive position in this very competitive industry. And this competition is world-wide in scope.

If we mean what we say in our contract – and I'm talking about management as well as the union – then we must do a better job of resolving our differences through our established grievance procedure.

For example, during the national bargaining in the States last fall, we had approximately 39,000 local demands to be resolved in addition to all the national economic and non-economic demands. There is no reason why these local demands shouldn't or couldn't be resolved under the normal day-to-day procedures. It should be obvious that if we had 39,000 real grievances in G.M. plants, we couldn't operate. Letting them build up as a pressure point is not in the best interest of all parties.

In my view, the resolution of this problem will come about only when union leaders at all levels – international and local – provide positive leadership. When they do, they must be met by responsive management. This is a priority matter for the '70s.

Now I fully recognize that the union is political in nature and that all levels of leadership hold office through the democratic process of the ballot. However, one of the basic tenets of elective office is to provide leadership in the best interest of all concerned.

Sometimes we complain to international union officers about misconduct or irresponsibility on the part of a local union representative. Too often we are greeted with the reply that there is little the union can do because the representative was elected to office through the democratic process. But the essence of democracy, in our view, is that union representatives are elected to lead and the essence of responsibility under a collective agreement is adherence to the provisions of the contract.

With the new, younger work force of the '70s, this is becoming a more difficult problem. It is through education and training that our objective in this regard can be realized. That is why we agreed in 1970 negotiations to undertake a joint orientation program for new hires. Union participation in this program, we believe, offers some exciting prospects for reducing turnover and for improving attendance – among our most vexing problems today. The idea here is to let the new employee know what is expected of him and of his importance to the manufacturing or assembly process. It presents an opportunity for both sides to impress upon the new hire that there is mutual respect for him – underscoring the dignity of the individual; that his own self-respect and the respect of his fellow employees will be enhanced in proportion to the extent to which he individually contributes to the common good.

This leads me to another area where we share the same community of interest and that is the people. Our employees are also the union's members. They have a joint role and one that cannot be viewed as mutually exclusive. This is not a matter of divided loyalties. On the contrary, it is a matter of complementary and inextricable loyalties – like participation in a three-legged race.

Management has the responsibility of providing a safe place in which the people work and the rules of personal conduct – known as shop rules – for our plants. The union has the duty to object on behalf of any employee or the union, through the established grievance procedure, if his or the union's rights have not been honored in the administration and implementation of these rules or the contract. By far the vast majority of our employees and union representatives are good employees. They are at work, doing a quality job, in return for which they receive a fair day's pay.

The problem in this regard is that it is the "squeaky hinge" that gets the union oil. In our shops this represents only about 5 per cent of the work force. The right to represent the people is not, nor has it ever been, in question. At issue in our view is the degree of protestation and, in some instances, the blind defense afforded the troublemaker, while the big majority – the 95 per cent of good employees – gets minimal union attention. We have suggested that this situation be turned around and the interests of the greater numbers, which are jeopardized by the actions of the few recalcitrants, be made paramount.

Who are these 5 per cent and how are they recognized? They are the employees with excessive absenteeism . . . recipients of the majority of disciplinary layoffs . . . the employee who receives garnishments from local business men for failure to meet financial obligations . . . the chronic visitor at the plant medical department . . . the individual who abuses the sickness and accident benefits. In short, they are the individuals who spend more time avoiding work than trying to earn their wages.

A major by-product of the employee who is so motivated is the serious effect on productivity. For there is more to productivity than just quantity. Productivity is reduced fully as much by poor quality output as by no output at all.

In fact, since poor quality often requires that work done once be done again, it is worse than no output at all.

The importance of productivity to the union and to the Corporation – and this is yet another example of community of interest – is found in the tough competitive challenge to the auto industry from outside North America. Foreign producers, with labor costs only one-quarter to one-half of ours, are making important inroads in North American markets and North American jobs.

The Japanese have already taken over a virtual monopoly of the radio and T.V. business. The difficulty of producing radios for our automobiles here in North America is obvious when Japan is contracting for labor in Taiwan at 15 cents per hour and shipping radios to the States for 25 cents. The same is true of bearings and other components which can be bought in Japan for less than we can make them in North America. I don't want my remarks to be taken as a threat. They are not meant that way. But we must have a fuller recognition of this problem and what is required from all concerned to cope with it in the '70s.

Foreign factories are fully as modern as ours, many having been built or rebuilt since World War II. Additionally, we no longer have a measurable edge in technology. These foreign manufacturers have the latest and best in manufacturing methods. And they have volume – an essential of efficient mass production.

Fortunately, for more than twenty years the U.A.W. and G.M. have recognized in writing in our basic collective agreement both in Canada and the States that to produce more with the same amount of human effort is a desirable social and economic objective.

The U.A.W. was far ahead of the union movement in accepting the ideas of better methods, improved technology and work-saving processes. Well, if ever there was a time when our North American industry needs improved productivity to handle more efficiently the foreign competition, it is now.

In the '70s we must undertake an extensive program of educating our employees on the importance of increasing productivity. I was shocked Monday of this week to see the result of a recent study undertaken by the Opinion Research Corporation, Princeton, New Jersey. The question was asked:

> "Which do you think is the most practical way for workers to increase their standard of living – by all workers getting more of the money companies are already making?"

More than one-third – 34 per cent of the U.S. public to be exact, rejected the idea that wage gains for workers need to be financed through higher productivity and only 37 per cent agreed on the need to produce more in order to improve their standard of living. In 1953, 37 per cent of union members said they believed existing business profits could finance wage increases; today 46 per cent do.

While the International Union recognizes in our agreement the necessity for increasing our productivity, there are still too many locations where union representatives at the local level continue to resist new technology and methods.

To state that more accurately, new technology and new methods are not resisted per se. But attainment of the full potential increase in productivity that should result from such changes is too often resisted. This resistence, especially in our assembly operations, many times is reflected in slowdowns and challenges to new production standards established by management. This resistance, too, many times is without reference to the work effort of the individual employee, which, in most cases, is less after the change than before. Here is an area where a more rational approach to what constitutes a fair day's work is sorely needed in the '70s.

Before concluding I would like to read excerpts from two newspaper articles.

The first is written by the Chairman of the Shop Committee in one of our largest operations in North America.

> "General Motors has launched a sales campaign to try to sell more G.M. cars and trucks this year than have been sold in any previous year. We support this fully, for very obvious reasons. First, if G.M. sells lots of cars, it makes sense that we will have a lot of jobs. If car sales are down, then we haven't got as many jobs . . ."

He went on to say –

> "First, you should check dollar for dollar value; then, take a look at where you are working and earning your wages . . . If, for some reason, all G.M. workers covered by our . . . agreement purchased other than G.M. cars, this would cut off about 25 working days of the production from . . . (our) plant per year. If all G.M. workers in North America purchased other than G.M. cars, this would cut off about 400 days of production from . . . (our) plant. This would equal about 20 months' work."

If that does not express a community of interest between us, consider his conclusion. He wrote:

> ". . . when you pick up the newspaper and see what's happening in this very competitive world, it makes one think. We have a big stake in this company . . ."

That, in my opinion, is an example of the kind of constructive union leadership we need in our industry. It demonstrates that this prominent union leader understands that between his union, its membership and our company there is indeed an important and vital community of interest – "a big stake" in each other's future. In short, we need each other.

And now the second article. It is somewhat lengthy and I beg your indulgence while I read it in its entirety. It is written so well, and to the point, however, that I believe it deserves to be ready in toto and this audience, primarily of businessmen, deserves to hear this enlightened union leader's promise for the '70s. He wrote, and I quote:

> "We can't allow our people to continue the old practice of having two years of stability and one year of getting ready for a strike. 'Lasting industrial peace must be found.' We can't allow problems to fester in the plant. Complaints should be resolved on the floor rather than allowing them to drag on and on. Problems and grievances must be resolved fairly and contractually. Personality and political motives cannot and should not enter into legitimate contractual affairs. The negotiated grievance procedure must work. It can't be used as a shuffling device. Each representative at each step of the grievance procedure must assume the responsibility of his office. A grievance that has to be withdrawn by the union at the 3rd or 4th step of the procedure because it wasn't proper or valid should not have been filed and the grievor should be told the reason for not filing."

His article continues:

> "Our members respect and deserve straightforward, honest answers to contractual questions. It may be that these answers don't always satisfy the individual, but at least he or she will be told 'the way it is.' "

Properly admonishing management, this union leader went on editorially to say:

> "The question of solving problems 'as you go' is a dual effort. Local supervision and management must live up to their responsibilities and not fluff the union representatives off."

Then looking to the future, he wrote:

> "If a sincere and honest approach is taken by both parties for the next three years, then, when we enter into nego-

> tiations prior to September 14, 1973 we will be approaching the company only with demands that can be discussed and resolved during negotiations and not hundreds of items that should have been resolved long before the contract expired."

In conclusion, these words of his offer encouragement:

> "These are the aims and goals of this office and also the office of our president. It is going to take a lot of hard work to achieve this. I am confident, however, that you and I, working together towards a common goal will be able to proudly say in 1973 that we have achieved an honorable settlement, without a strike. Industrial peace will prevail for our people, our community and our country."

This article, too, was written by a prominent U.A.W. official. One here in Canada. Would that the Auto Trade Pact could bring about exporting that kind of thinking so that it would find acceptance throughout General Motors plants in North America. Then the prospects for 1973 and, indeed, for the duration of the '70s, would be the brightest in the 34 years of General Motors collective bargaining experience with unions.

The gratitude of the Club was expressed by Lieutenant Colonel R. H. Hilborn.

DR. CRANFIELD:

Gentlemen, I would ask the officers and directors present to remain for a brief acceptance and ratification of the decision of the membership today, and for the appointment of officers and directors of the Club for the period beginning April 30th, 1971.

In World War II the pilot of a hopelessly damaged aircraft over the English Channel, having been forced to prepare to bail out would contact radar ground stations. This would permit a fix on his position and the Air-Sea-Rescue squad would hurry to fish him out of the water after he had ditched. To contact these radar stations the pilot would press Button D of his radio equipment and repeatedly call into a microphone the code message “May Day May Day May Day.”

With May Day so imminent and my personal bail-out moments away, may I say simply, “Thank you for your support in this year so memorable to me.”

This meeting stands adjourned.

16th July, 1971

The Members,
The Empire Club of Canada,
TORONTO, Ontario.

Gentlemen,

We report that we have examined the attached Balance Sheet of The Empire Club of Canada as at 30th April, 1971 and the attached Statement of Surplus for Continuation of Club Activities and Statement of Operations for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Office Furniture and Equipment is carried on the Balance Sheet at a nominal value of $1.00.

In our opinion, these statements present fairly the financial position of the Club as at 30th April, 1971 and the results of its operations for the year ended on that date in accordance with generally accepted accounting principles.

Reported by,
H. T. JAMIESON, LEMAY, & COMPANY
CHARTERED ACCOUNTANTS.
Honorary Auditors.

BALANCE SHEET AS AT 30TH APRIL, 1971

1970	ASSETS		
	Current Assets:		
$ 28.40	Cash on Hand	$ 28.40	
391.75	Accounts Receivable	644.50	
121.00	Prepaid Expenses	135.87	
$ 541.15			$ 808.77
	Investment at Cost:		
$ 5,757.25	Government of Canada Bonds 4½% maturing 1st September, 1983, Par Value $6,000.00 (Market Value 30th April, 1971 $4,980.00)		$5,757.25
$ 1.00	*Office Furniture and Equipment at Nominal Value*		1.00
$ 6,299.40			$6,567.02
	LIABILITIES AND SURPLUS		
	Current Liabilities:		
$10,197.21	Accounts Payable – Sundry	$ 72.22	
—	– Empire Club Foundation (Note 1)	3,968.98	$4,041.20
3,336.34	Bank Overdraft		1,188.01
10.00	Membership Fees Received in Advance		402.50
43.25	Presentation Fund		51.25
428.75	Provision for Unpresented Luncheon Tickets		373.75
$14,015.55			$6,056.71
	Surplus for Continuation of Club Activities:		
(7,716.15)	Balance (Deficit) at end of Year		510.31
$ 6,299.40			$6,567.02

NOTE:

(1) Accounts Payable – Empire Club Foundation $3,968.98 includes the Club's share, $3,049.93, of the printer's charge to the Foundation for printing the 1969/70 Year Book. The charge has not been understood by the Foundation and the matter is being enquired into with the printer.

(2) The Club is committed to pay to The Empire Club Foundation publishing costs of the 1970/71 Year Book to be supplied to members. This Year Book has not as yet been published, and the costs have not been determined or estimated.

Certified as per our attached Report of this date.

H. T. JAMIESON, LEMAY, & COMPANY
CHARTERED ACCOUNTANTS.
Honorary Auditors.

Toronto, Ontario.
16th July, 1971.

STATEMENT OF SURPLUS FOR CONTINUATION OF CLUB ACTIVITIES FOR THE YEAR ENDED 30TH APRIL, 1971

		1970
Balance (Deficit) at Beginning of Year	$(7,716.15)	$ 4,666.33
Add:		
Life Membership Fees Received	$ 100.00	–
Net Income (Loss) from Operations for Year	8,126.46	$(12,382.48)
	$ 8,226.46	$(12,382.48)
Balance (Deficit) at End of Year	$ 510.31	$ (7,716.15)

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30TH APRIL, 1971

			1970
Income:			
Membership Fees		$26,983.75	$ 23,890.00
Proceeds from Sale of Year Book		15.00	26.00
Interest Received on Bonds		270.00	270.00
Proceeds from Sale of Luncheon and Dinner Tickets	$35,899.70		
Add:			
Decrease in amount provided for Unpresented Tickets	55.00	35,954.70	38,380.07
		$63,223.45	$ 62,566.07
Expenditure:			
Bank Charges and Interest		$ 201.60	$ 28.25
Canada Pension Plan		115.12	92.67
Donations		50.00	–
Employees' Medical Insurance		76.70	–
Furniture and Fixtures		73.50	155.54
Luncheon and Dinner Expense, excluding amount pertaining to Head Table and Publicity		31,600.42	37,972.07
Luncheon and Dinner Expense pertaining to Head Table		1,182.76	1,826.07
Members' Notices		8,307.85	9,763.80
Membership Promotion		210.33	394.17
Miscellaneous		313.43	576.02
Music		260.00	290.00
Printing, Stationery and Postage		1,919.17	2,585.66
Publicity and Photographs		907.54	2,171.92
Recording		347.15	968.18
Rent		1,536.56	1,477.81
Speakers' Expense		72.85	594.43
Telephone and Telegraph		240.59	628.79
Secretarial Services		6,374.70	7,586.30
Unemployment Insurance		73.15	81.20
Contribution to Cost of The Empire Club of Canada Year Book (Total Cost 1971 – $9,991.71 (1970 – $7,755.67))		3,066.57	7,755.67
		$56,929.99	$ 74,948.55
Deduct:			
Received from The Champlain Society for Use of Office Facilities		1,833.00	–
		$55,096.99	$ 74,948.55
Net Income (Loss) from Operations for the Year		$ 8,126.46	$(12,382.48)

16th July, 1971

The President and Directors,
The Empire Club of Canada,
TORONTO, Ontario.

Gentlemen,

Further to our Report of this date to the Members of the Empire Club of Canada, we report as follows: –

Membership Fees:

We report that we have not been able to reconcile the issue of serially numbered membership cards during the year with membership fees received during the year owing to the fact that:

1. Unused cards had been destroyed prior to our examination.
2. The file containing membership cards of resigned members could not be located, and consequently it was not possible to determine whether members who resigned during the 1970/71 fiscal year had or had not paid the current year's fees.

On the basis of the register, and assuming no member who resigned during the year had paid the current year's fees, the fees receivable are exceeded by the fees actually banked by some $250.00. This excess represents some 20 fees, and possibly is accounted for by payments of fees by members who resigned during the year.

We request that in future all membership cards not issued be kept on file for our inspection.

Liabilities:

The Secretary-Treasurer of the Club has certified that all liabilities of the club at 30th April, 1971 have been included in the Accounts.

Insurance:

Insurance in force at 30th April, 1971 was as follows:

Property:		
Furniture and Fixtures	$ 6,000.00	
Stock of Year Books	4,000.00	
Silver Cigar Box	700.00	
Public Liability and Property Damage	200,000.00	inclusive

Fidelity Bond:

None of the officers or employees of the Club is bonded.

Acknowledgment:

We express our appreciation of the courtesy and assistance extended to us during the course of our work.

Reported by,

H. T. JAMIESON, LEMAY, & COMPANY
CHARTERED ACCOUNTANTS
Honorary Auditors

1971-1972 *Officers and Board of Directors*

Honorary President	HIS EXCELLENCY, THE RT. HON. ROLAND MICHENER, C.C., C.D., GOVERNOR GENERAL OF CANADA
Honorary Vice-President	W. ROSS MACDONALD, P.C., C.D., LL.D., LIEUTENANT-GOVERNOR OF ONTARIO

Officers

President	H. N. R. JACKMAN
First Vice-President	JOSEPH H. POTTS, C.D., Q.C.
Second Vice-President	H. ALLAN LEAL, Q.C., LL.D.
Third Vice-President	R. L. ARMSTRONG
Secretary-Treasurer	G/CAPT. R. C. A. WADDELL, D.S.O., D.F.C.
Honorary Secretary	HIS WORSHIP MAYOR WILLIAM DENNISON
Honorary Treasurer	MARVIN B. GELBER
Hon. Asst. Secretary	NORMAN BORINS, Q.C.
Hon. Asst. Treasurer	R. FORD RALPH
Honorary Auditor	H. T. JAMIESON, F.C.A.

Board of Directors

P. J. AMBROSE
CHAD F. BARK
D. H. W. BATH
E. T. C. BURKE
ARTHUR R. CHETWYND
J. H. CORRIGAN, Q.C.
ALFRED H. COWLING
DR. H. V. CRANFIELD
HUGH A. CROTHERS
DR. C. B. CRUMMEY
ROSS DE GEER
DR. E. C. DOWD
W/C HAROLD G. GILLINGHAM
RONALD GOODALL
GRAHAM M. GORE
GORDON E. GRUNDY, F.C.A.
PETER HERMANT
CHARLES C. HOFFMAN
LT. COL. P. W. HUNTER, C.D.
R. W. INGLIS
JOHN IRWIN
WILLIAM M. KARN
HON. A. F. LAWRENCE, Q.C.
J. R. MASSINGHAM

H. IAN MACDONALD
HARTLAND M. MACDOUGALL
JAMES MACKEY
JOHN A. MACNAUGHTON
W. MALCOLM MCINTYRE
WINFIELD MCKAY
DR. JAMES A. PARISH
GEORGE O. STAFFORD
R. BREDIN STAPELLS, Q.C.
JOHN G. B. STRATHY
J. A. WILLIAM WHITEACRE, Q.C.
DOUGLAS WINTERS, Q.C.

Immediate Past President	HAROLD V. CRANFIELD, M.D., C.R.C.P.(C)
Past Presidents	H. IAN MACDONALD E. B. JOLLIFFE, Q.C. GRAHAM M. GORE

Constitution

As amended April 27th, 1967.

ORGANIZATION OF THE CLUB

ARTICLE I

Name

1. The name of the club shall be The Empire Club of Canada.

Purpose and Object

2. The purpose and object of the club is to promote the interests of Canada and the British Commonwealth by the consideration and discussion of subjects and events relating thereto and by any other means appropriate to the facilities of the club.

MEMBERSHIP

ARTICLE II

Classes of Members

1. The membership of the club shall consist of:
    - (a) Honorary members
    - (b) Life members
    - (c) Regular members
    - (d) Corporate members

   All members of classes (a), (b), (c) must be of the full age of eighteen years.

Honorary Members

2. Honorary members may be elected by the unanimous vote of those present at a meeting of the board of directors. They shall be exempt from the payment of fees but shall not have the privilege of voting or holding

office and their membership shall be terminable at any time by a two-thirds majority of those present at a meeting of the board of directors.

Life Members

3. Members of the club in good standing (other than corporate members) and other persons regularly proposed may be elected life members by a two-thirds majority of those present at a meeting of the board of directors. Life members shall pay such a fee in one sum as may be fixed from time to time by the board of directors.

Regular Members

4. Save as provided in Section 5 of this Article candidates for regular membership shall be proposed by a member in good standing and shall be elected by a two-thirds majority of those present at a meeting of the board of directors.

   Save as provided in Section 5 of this Article regular members shall pay respectively such annual fees as may be fixed from time to time by the board of directors. Members elected after the first day of March in any year shall pay one annual fee only in respect of the period from the date of election until the thirtieth day of September in the following year. No member in arrears for fees after January 1 shall be considered in good standing.

Corporate Members

5. Any company, partnership or business organization shall be eligible for election as a corporate member. Applicants shall be proposed by a member in good standing and the application shall contain the names and positions of the persons nominated by the applicant as its representative regular members. The applicant and its nominated representatives shall be elected by a two-thirds majority of those present at a meeting of the board

of directors. A corporate member shall be entitled to nominate such number of its representative regular members as may be fixed from time to time by the board of directors and shall pay such annual fee as may be fixed from time to time by the board of directors, provided that such fee shall not be less than the aggregate fees which would have been payable on an individual basis by such representative members for the year in question. Save as in this section provided no fee shall be payable by or in respect of the representative regular members of a corporate member.

DIRECTORS

ARTICLE III

Duties and Powers

1. The affairs of the club shall be managed by a board of directors who may exercise all such powers and do all such acts and things as may be exercised or done by the club and are not by the by-laws or by law directed or required to be done by the club at a general meeting of its members. At all meetings of the board of directors the Chairman of the meeting shall have a casting vote.

Number and Quorum

2. The board of directors shall consist of forty members of whom sixteen shall constitute a quorum. The board of directors shall include at least four past presidents of the club, one of whom shall be the immediate past president and three others shall be the three past presidents immediately preceding the immediate past president if they are willing and able to act as directors.

Election of Directors

3. A nominating committee consisting of five members of the board of directors and four other regular members

of the club shall be appointed annually by the board of directors at least thirty days prior to the annual meeting and shall prepare a list of nominations for directors for the ensuing year. The chairman or acting chairman of the nominating committee shall report the nominations of that committee to the annual meeting at which the board of directors shall be elected, but nothing herein shall preclude the nomination of other persons for the office of directors at the annual meeting. If nominations do not exceed the number of directors necessary, the chairman of the meeting may instruct the Secretary-Treasurer to cast one ballot in favour of those so nominated and thereupon such persons shall be declared by the chairman to have been duly elected. No person shall be elected a director unless he is a regular member in good standing and is a Canadian citizen or a British subject.

Meetings of Directors

4. Meetings of the board of directors shall be called by the President, or on a requisition signed by three of its members. Written notice of such meetings shall be given to each director five days or more before the meeting is to take place, provided that a meeting may be held at any time if all the directors are present or if those absent have waived notice of or otherwise signified their consent to such meeting being held in their absence or have approved or signified their approval in writing to the proceedings taken at the meeting. The board may appoint a day or days in any month or months for regular meetings, at an hour or place to be named, and of such regular meeting, no notice need be given.

Casual Vacancies

5. In the event of any vacancy occurring in the office of director, the remaining directors may fill the vacancy

from among the members for the unexpired portion of the term of office of the person whose office is vacant.

OFFICERS

ARTICLE IV

1. The officers shall consist of an Honorary President, an Honorary Vice-President, a President, First, Second and Third Vice-Presidents, an Honorary Treasurer, an Honorary Secretary and a Secretary-Treasurer. The board of directors may from time to time elect or appoint such other officers as it shall deem necessary. The President and the Vice-Presidents shall be directors of the club but other officers need not be directors. No person other than the Honorary President and the Honorary Vice-President shall be eligible for office unless he is a member in good standing. The President shall, when present, preside at all meetings of the members and of the board of directors. During the absence or inability to act of the President, the Vice-Presidents in order of seniority shall act as Chairman at such meetings and otherwise perform and exercise the duties and powers of the President.

Appointment of Officers

2. The board of directors shall meet as soon as convenient after their election for the purpose of appointing the officers of the club for the period ending April 30 in the next year but each officer shall continue in office until his successor is elected.

Casual Vacancies

3. In the event of a vacancy occurring in any office the board of directors may fill the vacancy for the unexpired portion of the term.

Honorary Auditor

4. An Honorary Auditor shall be appointed at each annual meeting. An audited statement of the finances of the club for the fiscal year shall be published annually and a copy shall be sent to each member.

COMMITTEES

ARTICLE V

1. The following standing committees and the chairman of each shall be appointed by the board of directors as soon as convenient after the election of the board:
   (a) Budget and Finance Committee
   (b) Speakers Committee
   (c) Membership Committee
   (d) Constitution Committee
   (e) Reception Committee
   (f) Publicity and Public Relations Committee
   (g) Year Book Committee
   (h) Head Table Committee
   provided that for any year the board of directors may by resolution elect not to appoint any one or more of such committees.
2. The President or the board of directors may from time to time appoint such other committees as may be deemed expedient.

MEETINGS OF MEMBERS

ARTICLE VI

General Meetings

1. The club shall hold general meetings weekly, if possible, from October to April, both inclusive, in each twelve months with such intermissions as may from time to

time be determined by the board of directors. Special meetings of the club may be called at any time by the President.

Annual Meeting

2. The annual meeting shall be held not later than April 30 in each year. At the annual meeting a report of the year's proceedings and work shall be submitted by the President and this report shall be accompanied by an interim report from the Secretary-Treasurer.

Notice of Meetings

3. Written notice of all meetings of members shall be given all members of the club before the date on which the meeting is to be held. Such notice shall be sufficient if addressed to the members, and deposited post paid in the post office in Toronto. The accidental failure or omission to give notice to any member shall not invalidate the proceedings at any meeting.

Quorum at Meetings

4. Sixteen members in good standing shall constitute a quorum at any meeting of the club, general, annual or special, and the Chairman of the meeting shall have a casting vote.

Limitation of Business at General Meetings

5. No business other than the hearing of the addresses shall be introduced at any meeting of the club by any person other than the chairman of the meeting, unless it has been submitted to the board of directors and received its approval.

FISCAL YEAR

ARTICLE VII

The fiscal year of the club shall end on such day in each year as may be fixed by the board of directors but unless so fixed by the board shall end on April 30th.

AMENDMENTS

ARTICLE VIII

Subject to the provisions of The Corporation Act this constitution may be amended by the board of directors, but unless in the meantime confirmed by a majority of the members present in person at a meeting of the members duly called for that purpose, any amendment is effective only until the next annual meeting of members unless so confirmed thereat and, in default of such confirmation thereat ceases to have effect at and from that time, and in that case no new amendment of the same or like substance has any effect until confirmed at a meeting of the members.

Membership

1969-70

HONORARY MEMBERS

Cartwright, John R, The Hon. Chief Justice of Canada
*Clouse, Major Frank
Comber, Walter W.
Daniels, D. K., O.B.E.
Frost, Hon. Leslie M., Q.C.
Gardiner, F. G., Q.C.
Geary, Major B. H., V.C.
Gillingham, W/C Harold G.
Mansfield, S. J.
Miles Ernest
Osborne, Col. J. Ewart

LIFE MEMBERS

Allan, William N.
Anderson, D. S.
Ash, W. M. V.
Bassett, J.
Batty, Joseph
Baxter, Ian S.
Baxter, Major James, M.C.
Beare, S. E.
Beatty, D. S.
Best, Douglas W.
Borins, Norman, Q.C.
Bovey, E. C.
Boyles, Thomas A.
Burns, Charles F. W.
Burke, E. T. C.
Caswell, W. A., J.P.
Cobham, Arthur H.
Cosens, G. G.
Craig, Lt. Col. John A. D.
Cranfield, Dr. Harold V.
Crummey, Dr. Clarence B.
Davies, Rev. E.
Deacon, Fraser
Douglas, Lt. Col. R. G.
Du Vernet, E. A., Q.C.
Eaton, Donald L. H.
Eisen, Sol.
Fletcher, S. S.
Frost, Lt. Col. C. S. Jr., Q.C.
Goldring, Dr. C. C.
Gore, Graham M.
Griffin, Ian A.
Griffin, John W.
Harpham, H.
Hellyer, Hon. Paul T., P.C., M.P.
Hermant, Adam B. T.
Hermant, John D.
Hermant, Peter
Hermant, Sydney
Hilborn, Lt. Col. Robt. H., M.B.E.
Hoffman, Charles C.
Hogg, Lt. Col. N. D., M.B.E., E.D.
Hough, T. E.
Howse, T. H.
Hughes, James O.
Inwood, A. E. M.
Jackman, H. N. R.
Jackman, H. R., Q.C.
Jamieson, H. T.
Johnston, W. D.
Joyce, James H.
Jupp, Lt. Col. D. H., O.B.E.
Karn, William M.
Kent, J. Palmer, Q.C.
Keys, N. A., M.C., Q.C.
Lambert, A. T.
Lawson, H. R.
Legge, Brig. Gen. B. J., Q.C., E.D.
Low, Steven
Mackinnon, Lt. Col. A. P.
Matthews, Maj. Gen. A. B.
Matthews, Brig. F. B., C.B.E., Q.C.
McCrimmon, Maj. J. S. G.
McKinnon, N. J.

*Deceased.

Michener, Rt. Hon. Roland, C.D., C.C.
Mikkila, W. G.
Neelands, D. G.
Pallett, John C.
Parish, Dr. James A.
Ridley, John B.
Roman, S. B.
Rosen, A. E.
Royce, Lt.Col. E. A., E.D.
Sandy, J.
Smeed, J. R.
Stark, Hon. Mr. Justice Alexander, Q.C.
Strathy, Col. J. G. K.
Sullivan, Hon. J. A., M.D.
Thompson, Eric F.
Thomson, Garth O.
Thomson, K. R.
Turnbull, R.
Turner, Capt. T. C.
Waldie, Gordon
Watkins, William B.
Webster, R. H.
Williams, J. K.
Winkler, Sydney
Wotherspoon, Brig. G. D. De S.
Wright, W. E.

REGULAR

Abel, Albert S.
Abernethy, Lt. Col. W. W.
Acomb, S. R.
Adair, Joseph
Adams, A. H.
Adams, G. W.
Adams, Graham
Adams, J. C.
Adams, John R. B.
Adams, Nevin R.
Adams, W. H.
Adamson, Edwin F.
Adamson, G. A.
Adamson, Harold J.
Adamson, Walter
Adelstein, A. J.
Addison, Wm. G.
Adye, Rev. Canon E. R. G.
Agar, Harold A.
Agius, Walter
Aiken, Lloyd T.
Aikenhead, James M.
Aird, A. E.
Aitchison, Ian A.
Aitchison, R. J.
Alberts, Edgar T.
Albery, A. C. R.
Alexander, H. H.
Allan, A.
Allan, Dr. Blandford
Allen, Ivan V.
Allen, John F.
Allen, Dr. Michael S.
Allen, W.R., Q.C.
Allingham, N. W.
Allison, A.
Amato, L.
Ambrose, Sheriff P. J.
Amos, J. L.
Ander, Morris
Anderson, A. J.
Anderson, Earl F.
Anderson, J. B.
Anderson, J. Murray
Anderson, Dr. T. W.
Anderson, Lt. Gen. W. A. B.
Andras, K. B.
Andrunyk, S. F.
Anglin, Dr. Crawford S.
Angus, D. L.
Angus, J. K.
Annett, D. R.
Anthony, R. F. K.
Apple, B. Nixon, Q.C.
Appleton, C. N.
Appleton, D. C.
Archbold, Wm. D.
Archer, Wm. L., Q.C.
Archibald, C. R., Q.C.
Arena, John
Argue, D. R.
Armour, A. Douglas
Armstrong, A. S.
Armstrong, G. E.
Armstrong, Jas A.
Armstrong, P. C.
Armstrong, Robert L.
Arthur, B. R.

Arthur, John G.
Ashley, S. E.
Astley, D. B.
Atherton, C.
Attewell, W. C.
Auburn, F. W.
Ausman, L. H.
Austin, J. Jarvis
Axford, M. J.
Azzarello, A.

Babcock, Harold A.
Back, Samuel
Bailey, H. V.
Bailey, Wm. H. C.
Bailey, Dr. L. O.
Bailie, A. A.
Bainard, R. H.
Baker, Allan D.
Baker, George
Baker, J. R.
Balfour, H. K.
Balfour, Norman E.
Ball, Gordon R.
Ball, J. R.
Band, Philip E.
Banner, Mac
Barber, D. J.
Barber, Col. J. R., E.D., C.D.
Barber, William
Barclay, D. F.
Bardsley, J. W.
Bark, Chad F.
Barnes, Major F. A.
Barnsley, E. R.
Barrett, L. C., Q.C.
Barron, Christopher
Barths, Karl L.
Barstow, J. M.
Bate, Wm. B.
Bates, George H.
Bates, Dr. Gordon
Bath, Donald H. W.
Batten, D. M.
Bawden, H. N.
Baxter, Wm. H.
Bayes, W. E.
Beamish, King J.
Beattie, A. L., Q.C.
Beauchamp, Walter N.
Beckerman, Irving
Bedford-Jones, Canon H.
Beeston, Capt. A. C.
*Beeston, George H.
Belak, Nicholas
Bell, C. B.
Bell, Clarence W.
Bell, J. Donald, Q.C.
Bell, Norman B.
Bell, N. H.
Bell, Norman O.
Bell, W. E.
Belyea, Abner B.
Belyea, Roy E.
Ben, George
Bengert, Ernest C.
Benitz, John C.
Bennett, Bryan C.
Bennett, David T.
Bennett, Major J. W.
Bentley, A. F.
Berchem, F. R.
Berghuis, Wm. W.
Bernard, Paul J.
Berry, H. R.
Best, Gordon H.
Best, Peter
Betts, J. G.
Bethune, Comdr. D. S.
Biback, Norman
Biddell, John L.
Biggs, G. L.
Biggs, Stanley C., Q.C.
Bilbrough, W. H.
Billes, A. W.
Birchall, L. J.
Birmann, E. K.
Birrell, L. P.
Birrell, Dr. Russell G.
Blachford, H. A.
Black, D. B.
Blair, L. E.
Blair, S. M.
Blair, W. D'Arcy
Blair, Willis L.
Blanchard, H. A.
Blay, J. A.
Boddy, R. Paul

*Deceased.

Boehmer, J. W.
Bolke, H.
Bonnycastle, L. C.
Bonus, W. H.
Booth, Dr. C. W.
Bosanquet, L. C.
Botnick, Harry P.
Bourne, F. R.
Bourne, J. H.
Bower, M. E.
Bowes, David
Boyce, W. M.
Boyer, J. P.
Boyko, Jos.
Boyle, J. A.
*Boylen, M. James
Boytchuk, W.
Boylen, Lt. Col. P. F.
Brace, Wm.
Bradshaw, M.
Bragg, R. W.
Brain, George M.
Braithwaite, Dr. D.
Braithwaite, L. A.
Bramm, Geo. V., M.E.I.C.
Brannan, C. C.
Brannan, Carl E.
Branson, C.
Brant, Reuben
Breckenridge, R. J.
Brent, John E.
Brethour, E. J.
Breuer, K.
Bridger, John R.
Brinklow, E.
Brissenden, W. G.
Bristoll, C. H.
Broad, R. L.
Brock, Frederick W.
Brodey, Peter E.
Brodsky, Jack
Brokenshire, W. H.
Brook, E.
Brooks, Dr. Clarence E.
Brooks, Herbert
Brooks-Hill, F. B.
Broomfield, George
Brown, Arthur E.
Brown, Dr. C. A.
Brown, Eric J.
Brown, Gerald D.
Brown, Brig. H. E., O.B.E., E.D., C.D.
Brown, J. Sommerville
Brown, John H.
Brown, Mannie
Brown, Ronald A. W.
Brown, T. F. S.
Brownbill, H. F.
Brumell, J. K.
Brundage, C.
Brunskill, A. M.
Bruton, M. W.
Buddenhagen, W. C.
Buell, E. J., Jr.
Bull, R. J.
Bundy, Robert G.
Bunting, C. A.
Bunting, Pearce
Burden, Bruce C.
Burgess, Arthur C.
Burgess, C. Norman
Burgess, H. T.
Burk, J. Paul
Burke, H. Gwynne
Burnard, F. S.
Burns, James E.
Burns, John
Burns, Lt. Col. L. J. W.
Burnside, Ed. G.
Burrows, R. G., Q.C.
Burry, C. James
Burson, Geo., Q.C.
Burton, Chas. G.
Burton, Lt. Col. G. A.
Bury, George J.
Butler, Ian
Buy, Rodney
Bynoe, B. Clive

Caird, J. F.
Cairns, Richard B.
Cairns, R.
Cairns, Victor R.
Calderone, A. C.
Calderone, Gus V.
Calladine, Eric A.
Calvert, W.

*Deceased.

Cameron, Donald R.
Campbell, Maj. D. A.
Campbell, D. L.
Campbell, E. M.
Campbell, I. R., C.A.
Campbell, John R., Q.C.
Campbell, J. W. M.
Campbell, Paul J.
Campbell, T. I.
Campbell, W. Allan
Campbell, W. S.
Camps, John F. A.
Cane, A.
Cappe, Joe
Cappe, N. R., Q.C.
Carey, A. R.
Carleton, Major W. J.
Carlisle, Donald H.
Carnegie, A. D.
Carney, G. W. Ward
Carpenter, Dr. T. A.
Carlsen, S. C.
Carr, E. P.
Carradus, Capt. H. R.
Carrodus, Peter W.
Carrick, Donald, Q.C.
Carruthers, G. L.
Carson, C. E.
Carson, R. B.
Carter, James P.
Carter, N.
Casey, D. W.
Casey, E. M.
Cassels, Gordon T.
Casson, Richard
Cater, Gordon
Cathcart, P. G.
Catto, Lt. Col. John
Cauley, J. F.
Cavoukian, Artin
Chadsey, P. J.
Chadwick, D. T., A.R.I.C.S., A.M.T.P.I.C.
Chaffe, Richard S.
Chalmers, Floyd S.
Chambers, H. J. A.
Champion, R. H.
Chandler, Frank G.
Chandler, K. G.

Chant, Dixon S.
Chapman, S. F.
Chapman, Wm.
Charlebois, John P.
Charlton, A. E.
Chase, T. Millar
Checkley, J. W.
Chester, Lane R.
Chetwynd, Arthur
Chetwynd, Robin
Chote, Rev. A. A., B.A., L.TH.
Christian, Brig. J. D., C.B.E.
Christie, Col. J. H., M.C., E.D.
Christie, Dr. R. J.
Chrysler, H. W.
Ciglen, Samuel, Q.C.
Clark, A. S.
Clark, H. Spencer
Clark, P. T.
Clark, Robt. F.
Clarke, E. G.
Clarke, James H.
Clarke, K. H. J.
Clarry, John H. C.
Classen, R. A. M
Clayman, B.
Clifford, C. Thomas
Clutsam, R. K.
Cohen, John C.
*Collett, W. M.
Collins-Williams, G. W.
Collombin, Beverley
Colwell, C. W.
Compton, W.
Conn, Dr. A. W.
Conrad, J. C. P.
Consulat General France
Cook, Douglas H.
Cook, F. Gordon, Q.C.
Cook, G. A.
Cook, R. A.
Cooke, Geo. A.
Cooper, S. C.
Cooper, W. S. B.
Corbeau, A.
Corcoran, C. J.
Cork, E. Kendall
Corlett, Alva R.
Corlett, G. H.

*Deceased.

Cornish, The Hon. Mr. Justice F. Joseph, Q.C.
Corrigan, J. H.
Corson, C. R.
Cory, Peter DeC.
Cosburn, W. Dale
Cotnam, Dr. H. B.
Cosby, Stanley C.
Coulthard, W. W.
Coupland, Walter C.
Cowan, K. A.
Cowan, W. D.
Cowan, W. George
Cowling, Alfred H.
Cowper, David B.
Cowperthwaite, Gordon A. H.
Craft, Robt. F.
Craig, J. L.
Cranfield, Paul G.
Cranford, J. H.
Crang, J. H.
Crann, Howard N.
Cranston, R. A.
Crashley, Lt. Col. J. D., C.D.
Crawford, E. H.
Crawford, H. P.
Creighton, W. L.
Cresby, Joseph T.
Crichton, R. J.
*Crispin, R. John
Crispo, F. Martin
Critchley-Waring, Angus C. B.
Crockett, A. H.
Crompton, Maurice W.
Croombs, Wm. J.
Crosby, John W.
Cross, Rev. Canon C. D., B.A., LTH.
Cross, W. B.
Crossingham, J. H.
Crossley, J. K.
Crothers, H. A.
Crow, Stanley
Cudbird, L. J.
Culnan, Dr. G. F.
Cummings, W. M.
Cummings, R. L.
Currie, Wm. Seaton
Curry, T. E.
Curtis, W. A., JR.
Cutler, J. F.

*Deceased.

Dack, Dennis A.
Dale-Harris, R. B., D.S.O., F.C.A.
Dale, R. G., D.S.O., D.F.C.
Dales, Robert L.
Dalton, Wm. H.
Daly, R. A., Jr.
D'Arcy, N. C.
Davey, Frederic
Davey, I. E.
Davey, Hon. Keith
Davidson, I. D., C.B.E.
Davidson, D. A.
Davie, J. H.
Davies, Dr. John B.
Davis, Harold H.
Davies, Michael B. C.
Davis, M. B. W.
Davis, Norman S.
Davison, L. M.
Davison, Dr. W. E.
Dawson, Isaac
Day, John W. H.
Deacon, Paul S.
Deacon, T. R., Q.C.
Dean, Harold B.
Deans, M. C.
Decker, David
Degrandis, J. D.
Deguerre, Fred L.
De Karwin, R. P.
De Mara, Cyril R.
Denison, Robt. E.
Dennison, His Honour Mayor William
Derry, Dr. Duncan R.
Desautels, M. P.
Destounis, Geo.
Deutch, Wm. C., Q.C.
Devlin, Lt. E. F.
Devlin, John H.
Dewar, K. M.
Dewling, E. G.
Dicker, Wm. J.
Dilworth, W. A.
Dingle, D. B.
Dinsdale, S. E., Q.C.
Dix, Wm. B.
Dixon, A. B.
Dixon, W. M.
Doe, Roger G.
Doherty, J. H.

Dorken, H. R.
Doty, Robert V.
Douglas, C. R.
Douglas, Rev. Dr. F.
Dowd, Dr. E. C., C.D.
Downer, Capt. The Hon.
  Rev. A. W.
Dowsett, Horace
Dowsett, R. E.
Dragone, Geo.
Draimin, Peter K.
Drew, Hon. George A.,
  P.C., Q.C.
Driver, R. G.
D'Silva, Fred
Dubin, C. L., Q.C.
Duffield, E. S.
Duguid, Lorne W.
Duke, E. C.
Duncan, D. F.
Duncan, Robert A.
Duncan, W. A.
Dungey, E. B.
Dunlap, David M.
Dunlop, Major Edward A., G.M.
  O.B.E.
Dunmall, Maurice M.
Dunn, Michael S.
Dunnet, Gordon
Dunsdon, Lionel H.
Dunwoody, James M.
Dye, Edward H. M.
Dye, R. A. E.
Dyer, Dr. D. W.
Dyer, Virgil V.

Eadie, Donald R.
Eagleson, R. Alan
Eakin, Joseph S.
Easson, E. B.
Eastoe, S. A.
Eastwood, G. E. P.
Ecclestone, Alfred M.
Eckler, Henry H.
Eckler, Samuel
Edison, John G., Q.C.
Edwards, A. H.
Edwards, Dr. H. E.
Edwards, James C.
Eisen, David M.
Elder, C. K.
Elder, John J.
Elgie, G. C., Q.C.
Elias, Murray
Elliott, Charles R.
Elliott, H. H.
Elliott, H. J.
Ellis, J. F.
Elmsley, James B.
Emerson, M. L.
Emond, Douglas L.
Endean, Frank H.
Engholm, R. A.
Ennis, B. A.
Epstein, H. B.
Erwood, Donald L.
Evans, Dr. J. E. L.
Evans, R. A.
Everard, Frank
Eyton, Trevor

Facella, Frank E.
Facey, H. G.
Fair, Albert W.
Fairclough, R. Peter
Fallis, Geo. A., Q.C.
Farmer, G. A.
Farmer, Leonard F.
Farmer, Patterson
Farquharson, W. Robt.
Farwell, S. M., Q.C.
Favager, F. C.
Farrell, Robert R.
Farrow, W. C.
Fayle, L. V.
Feigman, Leonard
Feltmate, A. S.
Fenkell, L. L.
Ferguson, C. A. R.
Ferguson, Geo. S. P.
Ferguson, P. B. G.
Field, D. G.
Filo, John J. D.
Fingold, S.
Finlayson, Gordon W.
Fish, B.
Fisher, A. J. M.
Fisher, Alex D.
Fisher, D. A.
Fisher, F. R.
Fisher, Frank
Fisher, J. Taylor

Fisher, Paul M.
Fitzhenry, R. I.
Fleming, C. F.
Fleming, Hon. D. M., Q.C.
Fleming, R. J.
Fleming, W. R.
Flett, Douglas
Flint, Lyman G. B.
Flood, Lennox E.
Flynn, W. Hugh
Fodor, Nicholas
Fogarty, Bruce A.
Follett, Gordon
Forbes, H. K.
Forbes, L. J.
Ford, Gordon W., Q.C.
Forrest, Lt. Col. J. L.
Forster, D. F.
Forsyth, A.
Foss, A. J. N.
Foster, F. T.
Foster, R. E.
Foulds, K. A.
Fournier, R. P.
Fowler, A. W.
Fowler, Scott
Fox, George E.
Fox, G. Kingsley
Fox, John H.
Francis, Dr. W. G.
Frankel, Roy H.
Frankish, Wm. B.
Franks, H. R.
Fraser, A. T. L.
Fraser, Geo. R.
Fraser, I. MacG.
Fraser, Hon. Mr. Justice Neil
Fraser, Norman
Frazee, R. C.
Freeman, L. R., O.B.E., Q.C.
French, D. J.
Freyseng, Willis P.
Friedland, Seymour
Friesen, David E.
Frost, Major C. S., M.C.
Fry, E. Ewart
Fry, R. A.
Fryer, J. Dudley
Furniss, L.

Gaines, John C.
Gainor, J. Robin
Gallant, Harry G.
Galloway, Charles T. P.
Gardiner, Geo. C.
Gardner, W. J.
Garfunkel, B. H.
Garland, S.
Garlick, R. D.
Gartley, John C.
Gartshore, J. B.
Gaskell, Ian M.
Gassard, H. L.
Gassenbeek, Mathew
Gathercole, Geo. E.
Gaunt, J. Wm.
Gee, J. M.
Geggie, Thomas P.
Gelber, Marvin B., M.P.
Gelleny, Joseph J.
Geller, John A.
George, Lt. Col. M. E.
German, V. C.
Gerstein, Bertrand
Gerstein, Irving
Gervais, Morris
Gianelli, Brig. N. A.
Gibbons, R. M.
Gibbs, Neil
Gibson, David L.
Gibson, Paul
Gibson, Robt. C.
Gibson, Brig. T. Graeme
Gilbride, W. P.
Giles, Peter A. K.
Gillelan, D. R.
Gillespie, Wallace P.
Gillies, Dr. James
Glimour, Dr. R. H.
Givens, A. D.
Glabais, F. J.
Glait, Louis R.
Glover, Floyd M.
Goad, J. B.
Godfrey, J. M., Q.C.
Godsoe, J. Gerald, Q.C.
Goebelle, G.
Goldring, C. Warren
Goldsmith, I.
Goldsmith, Martin
Goldsmith, W. L.
Goldson, W. L.

Gonder, Douglas V.
Goodall, R.
Gooderham, F. L.
Goodfellow, E. J.
Goodlet, Wm. E.
Goodman, J. O.
Goodwin, J. E.
Gordon, A.
Gordon, Bruce A.
Gordon, Lt. Col. D. L., M.B.E.
Gordon, Herbert G.
Gore, Graham I.
Gossage, B. F.
Gotfrid, S.
Gouinlock, Robert W., Jr.
Goulding, E. D.
Graesser, H. F.
Graham, A. P.
Graham, C. P.
Graham, D. M.
Graham, James J.
Graham, J. Blackwood
Graham, Dr. M. E.
Graham, J. Rennie
Graham, Robt. J.
Grant, A. R.
Grant, Major C. M., M.B.E., C.D.
Grant, David R.
Grant, Frank F.
Grant, G. E.
Grant, G. O.
Grant, James A.
Grant, J. Douglas
Grant, R. H.
Grasett, H. W. S.
Gravely, Patrick
Gray, Gordon C.
Gray, K. J.
Gray, Robt.
Gray, W. Douglas
Greason, Emory T.
Greaves, A. M.
Green, Gordon
Green, Harry L.
Green, J. D.
Green, Joseph L.
Greenaway, Dr. A. C.
Greenspan, David
Greenwood, Lawrence G.
Greer, W. N.
Gregor, T. P.
Gregory, Alan
Gregory, Rev. L. A.
Greig, D. N.
Grierson, Douglas
Griesdale, Charles E.
Griffin, A. G. S.
Griffis, Dr. Arthur T.
Griffith, Ernest B.
Griffiths, F. D.
Griffiths, Leonard D.
Griffiths, W. David, Q.C.
Groskurth, W. Ivan
Gross, Charles
Gross, H.
Grossman, Dr. S. W.
Grove, A. A.
Growcock, R. J.
Grundy, Gordon E., F.C.A.
Gullett, Dr. D. W.
Gundy, Charles L.
Gunn, Geoffrey B.
Gunn, G. T.
Gunn, R. A.
Guy, Kenneth D.

Haberer, J. F.
Hadden, Eugene R.
Hadlow, D. M.
Haist, Ralph C.
Hakes, V. H.
Haldenby, D.
Haldenby, Lt. Col. D. C., C.D.
Haldenby, Dr. J. F.
Hale, Michael A.
Hall, N. M.
Hall, T. G.
Halliday, C. M.
Halstead, Barnard
Ham, Gerald
Hamann, George F.
Hambly, William J.
Hamilton, A. S.
Hamilton, E. H. P.
Hamilton, John B., Q.C.
Hamilton, R. M. P.
Hannon, Dr. J. W. G.
Hanson, Hugh R.
Harding, C. M.
Harding, John L.
Hargraft, George L., C.D.
Hargraft, G. M.

Harlock, R. D.
Harris, R. Jack
Harris, S. J.
Harris, Wm. B.
Harrison, H. P.
Harry, Kenneth J.
Hart, Dr. Gerald D.
Hartford, Donald H.
Hartley, Eric L.
Harvey, Warren G.
Harwood, John
Hassard, Richard J.
Hastie, J. E.
Hasted, S.
Hastings, C. E.
Hatch, T. B. L.
Hathaway, N. B.
Hatton, Rev. Noble
Hatton, Wm. T.
Havercroft, Wm. R.
Hawke, J. H.
Hawkes, Robt. Howie
Hawkins, Elmer A.
Hawkins, Gordon R. S.
Hawkins, H. J.
Hayden, Hon. Salter A.
Hayes, Barry B.
Hayes, B. P.
Hayhurst, W. L.
Haynes, Lt. Col. C. P.
Haynes, Eric H.
Haynes, Dr. Robert H.
Haywood, B. K.
Heard, N. C.
Hearn, J. R.
Hearst, H. V., Q.C.
Heath, Wm. B.
Heathcote, F. Bruce
Heather, J. F. C.
Heckle, Arnold
Heeney, E. H.
Heighington, S.
Heintzman, G. T.
Heintzman, Thomas
Hellens, A. D.
Helm, Clifford T.
Henderson, D. A.
Henderson, Rev. Donald
Henderson, D. C.
Henderson, John C.
Henderson, Joseph S.
Henderson, Kenneth W.
Henderson, William R.
Hendrick, K. C.
Hendrie, Geo. C.
Hendy, Robt. I., Q.C.
Hendy, T. C.
Henry, His Hon. Judge Charles J.
Henry, T. P.
Henry, W. D.
Henty, S.
Hepburn, John T.
Herrick, John D.
Herridge, W. R.
Herron, Rev. D. G. M.
Hess, Paul, Q.C.
Hickey, Dr. W. E.
Hicks-Lyne, Col. R. T. E.
Hilborn, John R.
Hill, Dr. A. G.
Hill, Alfred N.
Hill, Donald V.
Hill, Fred C.
Hill, Harry D. L.
Hill, Roy C.
Hill, William S.
Hillmer, Cameron C.
Hilton, John D.
Hilton, W. Roy
Hines, W. J.
Hiron, Allan F.
Hitchins, Capt. Douglas H.
Hoare, J. E., Jr.
Hobbes, H. R.
Hodder, Rev. B. L., B.A.
Hogan, A. A.
Holborn, Bruce M.
Hollingworth, J. J.
Holloway, Lt. Col. R. D., C.D.
Holmes, B. T.
Holmes, John W.
Holmes, Ramsay
Holt, M. O.
Honey, Dr. John
Hood, Wm. W.
Hooker, Edwin R. K.
Hooper, Colin C.
Hopkins, Alan H.
Hopkins, Howard
Hopkins, Percy E.
Hore, J. E.
Hornell, W. B., Q.C.

Horsey, Grant
Horsley, D. B.
Horte, V. L.
Horvath, Lt. Col. E., E.D
Houghton, P. J.
Houston, Stanley D.
Howard, J. Robert
Howard, Peter M.
Howard, R. P.
Howe, A. W.
Howes, David L.
Howes, Thomas M.
Howitt, Dr. John R.
Howsam, A/V/M G. R. C.B., M.C.
Howse, Rt. Rev. E. M., STM., PH.D., D.D.
Howitt, Dr. John R.
Huffman, Geo. E.
Huggard, Major C. O.
Hughes, Campbell, B.
Hughes, J. Edward
Hughes, S. F.
Hughes, S. G. S.
Hugill, Albert E.
Hugill, W. M.
Hume, F. R.
Humphries, W. R. B.
Hungerford, J. G., Q.C.
Hunt, A. T.
Hunt, Rt. Rev. H. R., D.D.
Hunter, B. Pepall
Hunter, Donald F.
Hunter, K. M.
Hunter, L. M.,
Hunter, Lt. Col. P. W., C.D.
Hunter, W. H.
Hurrell, W. J.
Hutchins, Charles E.
Hutchinson, J. D. H.
Hutchison, Dr. Allan D.
Hutchison, William G.
Hutchison, W. L.
Hutton, D. F.
Hyde, Edwin G.

Iles, R. H. J.
Inglis, D. H.
Innes, J. S.
Irving, T. G.
Irvine, J. C.
Irwin, Arnold
Irwin, A. B.
Irwin, D. D.
Irwin, John
Irwin, Norman L.
Irwin, O. Ross
Irwin, Thomas R.
Irwin, W. S.
Isbister, P. D.
Ivey, C. Robert
Iwasaki, T.

Jackson, George B.
Jackson, Lt. Col. M. I., C.A., C.D.
Jacobs, A. R.
Jaffey, J. M.
Jaffray, P.
James, W. L. G.
Jameson, C. W.
Jamieson, C. N.
Janiss, Dr. E.
Jardine, A. E.
Jardine, John H.
Jardine, Roland G.
Jarvis, Albert
Jarvis, Cale B.
Jarvis, Cecil A.
Jeffrey, Mr.
Jenkins, Ken
Johnson, Dr. Joseph H.
Johnson, J. W. L.
Johnson, Kent B.
Johnson, P. T.
Johnson, Dr. R.
Johnson, Sidney
Johnston, C. N.
Johnston, D. C.
Johnston, Harold C.
Johnston, John I.
Johnston, R. C.
Jolliffe, E. B., Q.C.
Jolliffe, Lt. Col. W. H., M.C.
Jones, David A.
Jones, D. W.
Jones, E. L.
Jones, Oakah L.
Jones, R. E.
Jones, R. V. A.
Jones, R. Walden
Jones, T. L.
Jousse, Dr. A. T.

Joy, A. P. G., Q.C.
Jupp, Edward A., Q.C.
Juneja, D. S., F.I.A., F.C.I.A.
Jure, Roy
Justin, Jan

Kane, H. P.
Kardish, Joseph
Kasdan, Edwin H.
Kasprow, W.
Kay, George W. B.
Kay, W. R.
Kaye, Alex B.
Keaveney, Derek G.
Keefer, Major T. C., P.ENG.
Keeley, Gerald J.
Keeping, Hugh A.
Kelleher, E. John
Kelly, Dr. A. D.
Kelly, Wm., B.SC., P.ENG.
Kelsch, Ronald H.
Kemp, John, P.G.
Kennedy, A. P.
Kennedy, Joseph
Kennedy, Jack R.
Kennedy, Paul W.
Kennedy, R. D., M.P.P.
Kenny, M. K.
Kent, P. C.
Kent, T. D.
Kent, T. Edward
Kenton, Rolf
Kernaghan, E. B.
Kernaghan, K. W., Q.C.
Kerr, James W.
Kerr, John E., Q.C.
Kerr, Wm. R.
Kershaw, D.
Kershaw, Vernon B.
Kerzner, Max
Keyes, Norman J.
Keyes, Gordon
Kidd, Hon. T. Ashmore
Kilgour, Arthur, M.B.E.
Kimber, John R.
Kind, David
King, Charles W.
King, Christopher C.
King, Donald L.
King, Donald F.
King, T. A.
King, Dr. J. L.
King, Wilfred B.
Kinghorn, A. A.
Kingsmill, A. S.
Kinnear, H. W., Q.C.
Kirk, Colin
Kirkendale, J. D.
Kirkor, A.
Kirkwood, I. C.
Kirschbaum, Dr. Jos. M.
Kitching, Maj. Gen. Geo.
Kittermaster, D. A.
Klymas, R. M.
Knifton, Harold E.
Knight, J. Forbes
Koerber, Walter F.
Kofman, Dr. Oscar S.
Kortright, L. H. G.
Kostka, Lt. Col. W., C.D.
Koyl, Jack E.
Kuehn, Bernie P.

Labow, L. L.
Lace, Brigadier F. D.
Lacey, Rev. E. C.
Laffey, James V.
Laidlaw, R. A.
Laing, G. Blair
Laing, James F.
Lake, Capt. J. F.
Lampert, H.
Lang, The Hon. Senator Daniel
Langer, Henry Peter
Langford, H. E., Q.C.
Langford, J. A.
Langley, Major Arthur J.
Large, Peter K.
Larkin, Montague
Latimer, W. R., Q.C.
Laughlin, J. E.
Laverdiere, Jacques
Law, Robert
Lawer, Cyril J. E.
Lawer, John V., Q.C.
Lawrason, J. A.
Lawrence, Hon. A. F., Q.C.
Lawrence, R. Jack
Lawrence, Richard L.
Laxton, Edward, Q.C.
Lay, Harry M.
Leadbeater, Wm. J.

Leal, H. Allan, Q.C., LL.D.
Leapman, D. J.
Learmonth, Lt. Col. Wm. R.
Leckie, Wm. A.
Lederer, R. F.
Ledden, James J.
Lee, Robt. C.
Lee, Wm. E.
Leeming, L. B.
Legge, W. R.
Legrow, Lloyd R.
Leibel, Dr. Bernard
Leibel, John
Leibel, William
Lemay, Roderick T. M.
Lemmon, A. H.
Lennie, P. S.
Leonidas, Geo. J.
Lepingwell. M. J.
Leslie, Dr. Douglas
Lester, Cdr. R. M., C.D.
Levinter, Isadore, Q.C.
Lewis, Dr. A. C.
Lewis, Roderick, Q.C.
Lewis, Major R. W., C.D.
Libman, Ben
Lilley, E. J. S.
Lillico, Lloyd G.
Lince, E. F.
Lind, Lt. Col. J. B.
Lindsay, A. F.
Lindsay, Martin R.
Lindsey, R. E. A.
Linton, H.
Lipsit, E. Cameron
Liscombe, Wm. L.
Little, Derek J. W.
Little, T. C. W.
Littler, W. T.
Livingston, Wm. R.
Lloyd, Bryn
Lloyd, C. C.
Lloyd, C. W.
Lloyd, J. Trevor
Lockyer, Donald A.
Lodge, L. K.
Lofquist, J. C.
Loftus, R. G.
Logan, Frank H.
Lonergan, W. J.
Long, Norman W.
Lord, Dr. G. Ross
Lorimer, Donald M.
Loucks, D. T.
Lounsbery, Phillips
Lowndes, Roy H. M.
Lucas, David D.
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Lucas, Gordon T.
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Mackey, James
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MacMurray, W. Brock
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McCool, Major Brian S.
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McGinnis, Brig. J. A.
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McGough, Rev. L.
McGrath, Rev. A. S.
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McGuiness, M. B.
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McHenry, Eric H.
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McIntosh, Donald A.
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Price, James A.
Price, Vincent, Q.C.
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Puffer, Dr. A. Douglas
Pullan, H.

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Richmond, Frank
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Ritchie, Ronald S.
Rittersporn, H. L.
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Scott, John M.
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Sellers, Dr. Alfred
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Shiner, Irwin
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Soady-Easton, Lt. Col. E., C.D.
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